

The NATIONAL UNDERWRITER

Life Insurance Edition

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WE LIKE YOUR CONTENTMENT RECIPE, OLD TIMER

"A SNUG little place like this, freedom to go and to do as you please and a check in the mailbox every month—boy, that's living! No wonder you two stay so young. We'd like to use your contentment recipe, Old Timer—how do you manage it?"

Simple enough to manage it if you start now, using the Old Timer's simple recipe. Then, whenever you're ready to retire—at age 65, or 60, or perhaps earlier—you, too, can have a regular monthly income for as long as you live. You can have just such a comfortable home, and real contentment, and carefree independence—those good things of life that a retirement income makes possible. Also—and here's a vital feature—immediately you've started your plan, you'll have made sure that

your family's future money needs would be met, in case you should die prematurely.

That recipe is the Extraordinary Life Plan of the Northwestern Mutual. This practical plan is completely flexible—so that you can arrange for future money payments in whatever amounts you set, with those payments timed when they're needed, to provide necessities and some of the good things of life that a man naturally wants for his family or himself.

A wise first step in learning what this plan will do for you, is to read the booklet, "The Extraordinary Life Plan—How It Makes Insurance Dollars Go Farther." You'll find it exceedingly helpful in visualizing your own contentment recipe.

You'll find your contentment recipe in this helpful book

How to make sure of a regular monthly income starting when you're ready to retire!

How, at the same time, to make sure that your family would be adequately provided for, should you die!

So vitally important are these questions that we've prepared a special book on them—
The Extraordinary Life Plan

—how it makes insurance dollars go farther

Straightforward, easy-to-read, this book presents a simple, practical plan by which you can provide for future needs—a plan so flexible and workable that it is well called Extraordinary.

The coupon makes it easy to get your copy. There's no obligation, of course.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
720 E. Wisconsin Ave., Milwaukee, Wis.

With no obligation to me, you may send me the booklet, "The Extraordinary Life Plan—how it makes insurance dollars go farther."

Name.....
Address.....
City.....State.....S.E.P. 9-33

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

(This full page advertisement featuring the Northwestern Mutual's Extraordinary Life Plan will appear in the September 9th issue of the Saturday Evening Post, and will help open the way to many profitable interviews for Northwestern Mutual agents.)

FRIDAY, SEPTEMBER 1, 1939

Four Hundred Million Dollars **LIFE INSURANCE IN FORCE....!**

We announce with much pleasure and satisfaction that the Jefferson Standard has \$400,000,000 life insurance in force.

This important achievement takes its place in Jefferson Standard history as another in the long line of distinguished accomplishments.

We express our heartiest thanks to our field representatives who have contributed so loyally, and so splendidly to the progress of our great Company.

JEFFERSON STANDARD **LIFE INSURANCE COMPANY**

Julian Price, President

GREENSBORO, NORTH CAROLINA



The NATIONAL UNDERWRITER

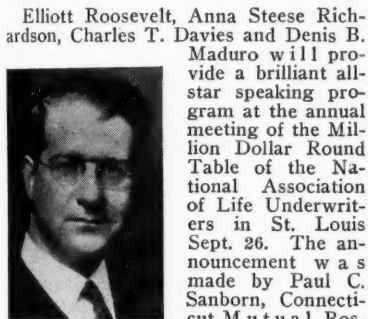
Forty-third Year—No. 35

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 1, 1939

\$3.00 Per Year, 15 Cents a Copy

Name Speakers for Million Dollar Round Table

Elliott Roosevelt, Anna
Richardson, C. T. Davies,
Maduro on St. Louis Bill



Denis B. Maduro

Elliott Roosevelt, Anna Steese Richardson, Charles T. Davies and Denis B. Maduro will provide a brilliant all-star speaking program at the annual meeting of the Million Dollar Round Table of the National Association of Life Underwriters in St. Louis Sept. 26. The announcement was made by Paul C. Sanborn, Connecticut Mutual, Boston, chairman of the round table. He predicts that the combination of a high number of qualifiers and a distinguished list of speakers will make the attendance one of the largest in its history.

An innovation will be a special luncheon, at which many nationally known personalities will be introduced. The principal speaker at this affair will be Elliott Roosevelt, second son of the President and radio commentator. His subject will be "Buy It Young—It May Be Too Late."

Mrs. Richardson First Speaker

The first speaker on the program will be Mrs. Richardson of the "Woman's Home Companion," who will speak on "The Woman's Viewpoint." Besides being noted editor and author, she is a prominent woman lecturer.

Mr. Davies, retired industrialist of Wyomissing, Pa., will address the group next on "Life Insurance in Action." Mr. Davies' account of the financial ventures that culminated in his holding \$1,000,000 of paid-up life insurance is one of the institution's greatest human interest stories.

The only scheduled address of the afternoon meeting will be delivered by Denis B. Maduro, counsel for the New York City Association of Life Underwriters, and noted insurance attorney. A speaker last year on the Round Table program, Mr. Maduro has been asked by the members to return again in 1939, to speak on "Your Client Has a Right to Know."

Following election of the new chairman and executive committee, there will be a cocktail party at 5 o'clock in their honor.

After holding a weekend outing at French Lick Springs, Ind., under the chairmanship of H. Kennedy Nickell, Connecticut General, Chicago, the members will proceed to St. Louis by special train for their all-day meeting on Tuesday.

Four qualifying and life, 10 qualifying and 25 life members have been added to

Security Act's Insurance Features Don't Boost Cost

NEW YORK—The new social security setup, with the almost complete substitution of survivorship annuities for lump sum death benefits, will in the long run cost slightly less than the system which it supersedes, according to the most accurate estimates that can be made, although naturally the earlier payment of retirement allowances will make the system relatively more expensive until the leveling out point is reached. The surprising thing is the survivorship annuities are expected to cost no more than the lump sum payments which they supplant.

Life insurance men, particularly on the selling end, have been greatly concerned at the new system's effect on their business, not so much as a direct competitor but as a growing monster which would eventually absorb so much of the national income that general business prosperity would be seriously affected and, along with it, the market for selling life insurance or anything else.

Social security experts say that be-

cause the monthly income death benefits to dependent families with young children is a sort of diminishing term proposition, like the term portion original family income policy, the cost of supplying the benefit is relatively slight. The chance of a father dying before his youngest child reaches age 18 is reasonably remote, for such fathers are ordinarily in the younger age groups where the mortality curve has not yet begun its steep upward climb.

If death occurs before the employee reaches age 65 it will probably be after the children have reached age 18 and presumably the ability to support themselves. Of persons alive at age 20 only about one-third may be expected to die before reaching age 65 and this proportion may become even smaller, since there is no reason to believe that the steady improvement in mortality will not continue.

Lump Payments Wrong

Substitution of monthly income payments for lump sums is regarded by all social security authorities as an important step in the right direction. Lump sum payments under a social insurance plan are an error but were probably a necessary stage in the evolution of a sound plan.

In order to gain acceptance of social security when it was first introduced in this country it was necessary to pattern it as closely as possible after an accepted institution, in this case private insurance. That was the reason for the actuarially absurd \$47,000,000,000 eventual reserve fund. It was also a reason for guaranteeing that if an employee did not receive his contributions back in the form of income payments, somebody would get them as a lump sum.

A basic principle of private insurance is that each participant should be treated

(CONTINUED ON LAST PAGE)

Industrial People Subject to Probe by the Committee

Interesting Phases of This
Subject Are Brought Out
in Investigation

By R. B. MITCHELL

WASHINGTON — Turning its attention from the profits made by the smaller stock industrial companies, the Temporary National Economic Committee's subcommittee this week began absorbing information dishied up for it by the Securities & Exchange Commission on the giant industrial companies' agency operations—including pressure for business, quotas, contests, agents' training, lapses, agent turnover, agents' contracts and compensation, and possible detriment to policyholders' interests by reason of pressure from above and also from competition among companies. There was considerable emphasis on the social angle of industrial insurance.

Since the three largest industrial writing companies—Metropolitan, Prudential and John Hancock—are mutual, the question of profits did not come in.

Sutphen of Prudential Quizzed

Most of Monday was taken up with questioning of Vice-president H. B. Sutphen of the Prudential. Gerhard Gesell, SEC counsel, was quite friendly in his examination. As a result, the testimony, while highly educational to an inquiring student, was hardly sensational enough to crowd the war news off the front pages. Reporters spent most of the morning reading their papers.

There were a couple of less serious spots in the morning's session, however, both at the expense of the actuarial profession. Asked about the number of policies per family, Mr. Sutphen said he hadn't the figures worked out by the actuaries but had an average based on figures reported by the field. Gesell observed that these might be more accurate than actuarial figures.

"Except that all make mistakes and the actuaries don't—so they say," Mr. Sutphen added.

A little later Gesell, checking over a list of occupations excluded as ultra-hazardous, wanted to know why burlesque actresses are not accepted.

"I'll have to leave that to the actuaries," Mr. Sutphen replied. "They may be more familiar with them."

Mr. Sutphen's average was 3.8 Prudential policies for each family having Prudential policies.

Interest in Finals

Queried on "finaling," Mr. Sutphen said agents today are rarely finalled for low production. As to juggling of funds to pay excess arrears out of other pol-

(CONTINUED ON PAGE 11)

New Commissioner for New Mexico Is Named

SANTA FE, N. M.—Robert Valdez, chairman state corporation commission, announces the resignation of Insurance Superintendent George M. Biel and the appointment of R. F. Apodaca of Las Cruces to the post. Mr. Biel will return to private business in Albuquerque. Mr. Apodaca submitted his resignation as Dona Ana county commissioner for the second district. Mr. Biel has been insurance superintendent 4½ years. He was formerly an accountant and insurance agent.

Mr. Biel has resigned to assume an important connection with the Pioneer Mutual Compensation Co. which was organized four years ago in Santa Fe and recently moved to Albuquerque. This company has started recently writing trucking and allied lines as well as compensation business. L. Simpson is president. The company operates only in New Mexico.

the roster of the Round Table to bring the total membership to the near-record figure of 152. The membership now includes 46 qualifying and life, 36 qualifying and 70 life. The newest members are:

Qualifying and Life—Walter N. Hiller, Penn Mutual, Chicago; Isidor Hirschfeld, National Life of Vermont, New York; Charles B. Johnson, John Hancock Mutual, Boston.

Qualifying—Harry N. Balch, John Hancock Mutual, New York; Gardner L. Boothe, New York Life, New York; Edward J. Dore, Jr., Mutual Benefit, Detroit; Ernest H. Earley, Northwestern Mutual, Brooklyn; Arthur A. Ebenstein, independent, Los Angeles; Thomas D. Harvey, Mutual Life, Chicago; Frank J. Koors, Northwestern Mutual, Minneapolis; Noel D. Maxey, Equitable Society, Phoenix; Willis F. McMartin, Northwestern Mutual, New York; Charles Wasser, Equitable Society, New York.

Life—A. C. Bayless, Columbus Mutual, Houston; Maurice A. Blate, Mutual Benefit, Flushing, N. Y.; Lloyd H. Bunting, Equitable Society, New York; William H. Burns, independent, Philadelphia; Clinton Davidson, Estate Planning Corporation, Jersey City; William M. Duff, Equitable Society, Pittsburgh; Gerald A. Eubank, Prudential, New York; H. G. Feldman, Aetna, Pittsburgh; Richard E. Hanley, Equitable Society, Chicago; J. D. E. Jones, Equitable Society, Providence; Samuel Kahl, Penn Mutual, Chicago; George E. Lackey, Massachusetts Mutual, Detroit; Earl G. Manning, John Hancock Mutual, Boston; Henderson L. Peebles, Northwestern Mutual, Charleston, W. Va.; Victor F. Pettric, Occidental Life, Los Angeles; Harry Phillips, Jr., Penn Mutual, New York; Phinehas Prouty, Jr., Connecticut Mutual, Los Angeles; Hyman Rogal, Reliance Life, Pittsburgh; Julian W. Schwab, Indianapolis Life, Indianapolis; Albert M. Sheldon, Marsh & McLennan, Minneapolis; George H. Schumacher, Massachusetts Mutual, Cleveland; Lawrence E. Simon, Massachusetts Mutual, New York; Samuel Soforenko, New York Life, Providence; Stanley F. Transue, Penn Mutual, Bethlehem; Simon D. Weissman, Equitable Society, Boston.

The name of Paul C. Sanborn has been changed from the life membership list to that of qualifying and life member.

Familiar Criteria of Company Progress Vanish in New Exhibit

By JOHN H. RADER

ANNUAL STATEMENT FOR THE YEAR 1939 OF THE

GAIN AND LOSS EXHIBIT†

Showing the Sources of the Increases and Decreases in Surplus During the Year

INSURANCE EXHIBIT		ALLOCATION BY LINE OF BUSINESS						
(1) TOTAL	(2) INDUSTRIAL (including Total and Permanent Disability and Accidental Death Benefits)	ORDINARY				GROUP		
		(3) Life Insurance	(4) Total and Permanent Disability	(5) Accidental Death Benefits	(6) Annuities (Excluding Disability Annuities)	(7) Insurance	(8) Annuities	
1. Premiums and other considerations								
2. Dividend accumulations and supplementary contracts without life contingencies								
3. Investment income (less investment expenses including taxes)								
4. *								
5. Total Income								
6. Deaths								
7. Maturities; disabilities; annuities								
8. Surrenders								
9. Dividend accumulations and supplementary contracts without life contingencies								
10. Allocable insurance expenses and taxes								
11. Unallocable insurance expenses and taxes								
12. *								
13. Total Disbursements								
14. Increase in reserves on contracts involving life contingencies								
15. Increase in reserves for dividend accumulations and supplementary contracts without life contingencies								
16. Increase in other reserves and assets not admitted.								
17. Total Increase in Reserves								
18. NET GAIN FROM INSURANCE (Item 5 less sum of Items 13 and 17)								

General Interrogatories

42. State below the amounts of insurance outstanding and reserves thereon according to the valuation methods indicated: Amount Reserve

Net level premium
Illinois Standard
N. J. Standard
Ohio Standard
Full premium term
Select and Ult.
Other
Totals

47. State the amounts of insurance in force under each of the following plans:

Industrial
Ordinary
Group
Totals
Non-Participating
Participating
Annual Div. Del. Div.

43. State below the valuation methods in current use and classes of insurance to which they are applied

48. Is any surrender value promised in excess of the reserve as legally computed? If so, what amount thereof has been included in liabilities, and where?

49. Has the company any assessment or stipulated premium policies in force?

46. State the amount of insurance, if any, on which the gross premiums are less than the net premiums according to the standard of valuation required by this State.

45. Does the company at present issue both participating and non-participating policies? Answer: If not, state which kind is issued.

44. Has the company ever issued both participating and non-participating policies? Answer:

43. State below the valuation methods in current use and classes of insurance to which they are applied

42. State below the amounts of insurance outstanding and reserves thereon according to the valuation methods indicated: Amount Reserve

47. State the amounts of insurance in force under each of the following plans:

Industrial
Ordinary
Group
Totals
Non-Participating
Participating
Annual Div. Del. Div.

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45. Does the company at present issue both participating and non-participating policies? Answer: If not, state which kind is issued.

44. Has the company ever issued both participating and non-participating policies? Answer:

Allocation of Dividends

The new section at the bottom of the page, "Allocation of Dividends to Policyholders by Line of Business," does not lend itself to a proper comparison with gains from individual lines of business as might be supposed at first glance. A purely mutual company will probably show a much closer relation between gains and dividends than a company having both participating and non-participating business. Practically all annuities are non-participating, so there will be a few instances where gains from annuities will be returned to annuitants as dividends. However, the large amount of old annuity business now on the books may some time require additional reserves if interest rates continue to decline and mortality among annuitants continues to improve. Thus, there may be a time when the annuity account will show a loss even though new annuities are written at adequate rates.

Investment profits, covered by lines 19 to 29 inclusive, deal with fluctuations in value of assets. Assets actually sold or revalued are compared with their value at the beginning of the year or purchase price, and the net result is the gain or loss exclusive of interest, dividends, or rents earned by such assets.

Lines 30 to 41 inclusive show how surplus has been handled, where it came from and what disposition was made of it. As noted above, item 34, "dividends to policyholders," is broken down to show how much was distributed to each class of business.

Even though this new blank is much more understandable, it will not be wise to go into a long discussion of all these items with the prospect. It will take time and thought to find the proper manner of summarizing this section so that fair comparisons may be made between companies.

July Sales in Canada Up 5.2%

TORONTO—An improvement of 5.2 percent was shown in new paid-for life insurance sales in Canada in July, compared with the same month of a year ago. Total sales for the month in Canada, as reported by the Canadian Life Insurance Officers' Association, were \$32,244,000, as against \$30,635,000 last year.

For the first seven months, life sales were down .1 percent.

Allocation of Dividends to Policyholders by Line of Business	
Industrial Insurance	
Ordinary Insurance	
Ordinary Annuities	
Group Insurance	
Group Annuities	
Total	

INVESTMENT PROFIT AND LOSS EXHIBIT	
19. Gross profit on sale or maturity	
20. Increase by adjustment in book value	
21. Gain from change in difference between book and admitted values	
22. Total	
23. Gross loss on sale or maturity	
24. Decrease by adjustment in book value	
25. Loss from change in difference between book and admitted values	
26. Total	
27. NET PROFIT FROM INVESTMENTS (Item 23 less Item 26)	

†See "Instructions" attached to Exhibit

Wright Says Selling is the Best Life Job

Millionaire Addresses Illinois Bankers Life Convention Held in Chicago

The time is coming when the life insurance business will probably see fewer and better agents, Harry T. Wright, associate manager Woody agency Equitable Society, Chicago, told the agency convention of the Illinois Bankers Life held in that city this week. This development will result in a better service rendered to the public and, consequently, a more secure place in the business for the agent. The public is welcoming improved life insurance service year by year, he said. There will also be a better return to the individual agent.

"A man should make up his mind reasonably early what he wants to be in this business," Mr. Wright said, "whether he wants to be a general agent, a home office man or a personal producer. Then he should go ahead on that line. An agent scatters his load when he tinkers with the idea of becoming a general agent or home office official. He cannot then do justice to his selling."

Urges Selling as a Career

"I feel a man should not overlook the possibilities in a career as a personal producer. I always have been a personal producer. I made that decision early."

"The personal producer is more independent. He makes more money, and I feel that his position carries more prestige. Then, too, there is the sense of personal gratification which comes through rendering this service to human kind. It is a worthwhile, productive work of which every one can feel proud."

"I believe in selling a lot of cases. These produce a healthier business for the agent. They help him to achieve permanency in the business."

Mr. Wright said so far war clauses are not found in life policies being issued, but the dangerous conditions abroad have led many companies to discuss the wisdom of incorporating war exclusion, and it is quite possible this will be done. There is therefore a strong reason for prospects who contemplate buying life insurance in the near future to do so at once.

Large Home Office Contingent

A large delegation attended from the home office, including President Hugh T. Martin, Vice-presidents Karl B. Korrad and E. H. Henning, Arthur T. Sawyer, secretary; Dr. H. G. Ebersole, medical director; H. G. Sellman, actuary; O. F. Davis, assistant agency director; F. H. Jacobson, manager claim department; F. L. Rexford, head of the underwriting department; Glenn L. Lilley, head of the conservation department; Miss Margaret Rodgers, agency accountant, and Henry G. Johnson, agency secretary.

Mr. Davis announced the new "Golden C" combination life and accident and health policy, details of which are given in the policy department in this issue. Dr. Ebersole, Messrs. Sellman and Jacobson, and C. W. Lent, Ohio general agent, commented on the new form.

The agents gave an application shower Monday, presenting Vice-president Korrad a total of \$513,000 of life business and 121 accident and health apps, and by Tuesday morning had increased this to \$563,000 life and 178 accident applications.

Report Production Increase

The Illinois Bankers is running well ahead in production to date this year and is about 15 percent ahead in the accident department. A fine record was set last year, with increased production for each month over the corresponding

month in 1937, and this year the monthly increases have continued.

A. G. Crimmins, Phoebus, Va., won the presidency of the Leaders Club this year with paid premiums of about \$7,500. Other officers are: Vice-president, G. J. Fenn, Chicago, winner in number of applications with 269; vice-president, E. P. Bock, Cape Girardeau, Mo., winner in the commercial accident and health division, with more than \$9,000 premiums; vice-president, S. V. Hott, Akron, O., winner in the intermediate accident and health division on three points, increase, renewal and claim records, and secretary, H. G. Johnson, agency secretary at the home office.

Award Prizes at Dinner

A number of prizes were awarded at the annual banquet at which President Martin gave an address and Vice-president Korrad was toastmaster. D. J. Farrell, Ottawa, Ill., won with 100 percent in the conservation contest; H. E. Wood, Chicago, was first in the "Arrow of Gold" contest, with 49 applications for \$5,000 or more of business each; G. J. Fenn, Chicago, was first in the \$2,000-\$1,000 contest, and A. G. Crimmins was first in the military department contest with more than 50 applications.

Vice-president Korrad presided in the first business session, Vice-president Henning extending the welcome. Mr. Davis presided the second morning, explaining the new policy, and Mr. Korrad was chairman at the main business session the third day.

Mr. Crimmins told what goes to make sales, discussion being led by General Agent Fenn. E. P. Bock discussed use of the financial statement in selling. Mr. Hott leading the discussion. H. E. Heron, Illinois general agent, took up the double protection to age 60 policy, which was discussed by W. J. Braune, district agent. L. T. Kinsella, Illinois general agent, spoke on the 30 payment life policy and Ray Fogg, Missouri general agent, led the discussion.

W. D. Lump, Illinois general agent, (CONTINUED ON PAGE 10)

Lawyers Challenge Service on Wills by Insurers

The Allegheny Bar Association of Pittsburgh has brought an action against Reliance Life and Phoenix Mutual Life charging that in allegedly giving free legal advice on wills and inheritance taxes, the companies are engaging in the practice of law, invading the rights of qualified lawyers. The suits, which seek an injunction, contend that both companies represent themselves as competent to review, revive and redraft wills and invite persons to visit their offices to have such services performed.

C. Hugh Blair, manager Phoenix Mutual Life at Pittsburgh, was quoted in the papers as denying that his company had given legal advice. Service was made on Mr. Blair and on H. T. Burnett, vice-president of Reliance Life.

Continental Assurance and Disability Program

The Continental Assurance of Chicago, in reentering the total and permanent disability field in connection with life insurance, will act along very conservative lines. Its maximum monthly indemnity will be \$150, which it will retain itself. It will not reinsure any disability benefits. In connection with the Continental Casualty, the Continental Assurance has had the advantage of wide experience in accident and health benefits. It has found, as has often been noted, that the chief obstacle to profit in total and permanent disability is the deciding of large monthly indemnities. This has never failed to result in disaster. The Continental Assurance will have three underwriting heads pass on an application for life insurance with total and permanent disability, the life, accident, and health underwriters.

Program Features Being Announced

American Life Convention Is Preparing Excellent Schedule for Meeting

Merle Thorpe, editor "Nation's Business," Washington, D. C., and W. J. Cameron of the Ford Motor Company, Detroit, will be among the guest speakers at the annual meeting of the American Life Convention at the Edgewater Beach Hotel, Chicago, Oct. 4-6.

As is customary the Legal Section will hold its meeting on the two days immediately preceding the general convention, the dates being Oct. 2-3.

The Industrial Section is to meet Oct. 2; the Financial Section Oct. 3, and the Agency Section on the morning of Oct. 4.

The sessions of the general meeting will open on the morning of Oct. 4, with W. T. Grant, president, head of the Business Men's Assurance, presiding.

At this particular session there will be the customary greetings from delegates sent by the Association of Life Insurance Presidents, U. S. Chamber of Commerce, the National Association of Insurance Commissioners, Canadian Life Insurance Officers Association, the National Association of Life Underwriters, and the National Fraternal Congress.

Douglas Endorsed by 58 Units

The committee that is promoting the candidacy of O. D. Douglas of San Antonio for trustee of the National Association of Life Underwriters announces that 58 associations have endorsed Mr. Douglas for that position. The committee, which is headed by O. P. Schnabel, Jefferson Standard, San Antonio, states that Mr. Douglas' Texas agency of Lincoln National Life is well organized and he is able to give much time to association work.

The committee is endeavoring to have every association in Texas represented at the St. Louis convention of the National association. Harold Sharpe of Fort Worth has been designated as chairman of the "On to St. Louis" committee.

Fred W. Hoch of the Marion, O., agency of the Ohio State Life has just completed 200 weeks of consecutive weekly production.

President Honored for 35 Years of Service

The directors and officers of the Monarch Life of Springfield, Mass., tendered President C. W. Young a dinner in celebration of the completion of 35 years of service in the company.

G. W. Gordon, vice-president and general counsel, presented Mr. Young a testimonial plaque memorializing his association with the company. Mr. Gordon also presented on behalf of the home office and field employees and agents, a suitably inscribed volume containing the photographs of the officers and directors, a short biographical sketch of Mr. Young and a record of all Monarch Life employees and agents listed by length of service.

Mr. Young, a native of Columbus, O., is the oldest employee of the company in length of service. He began his association with the Monarch Aug. 15, 1904, three years after it was incorporated, serving in various capacities until his election as a director in 1908. In 1911 he was elected treasurer, serving in that capacity until 1921, when he became secretary-treasurer. Mr. Young continued as such until 1925, when he was elected president following the death of S. W. Munsell.

The Fateful Five

The advertising man tries to put into the caption of his printed sales talk three or four gripping or curiosity-exciting words to draw the reader into the textmatter. The life underwriter's task is similar. A call seldom turns into an interview unless the prospect is interested at the outset. In most cases, after a self-introduction, a strong opening phrase,—in the form of a yes or no question, or a request for a brief time to describe a striking plan, or a suggestion that the prospect's existing insurance should be analyzed and tabulated, to make sure that it will serve specific purposes,—is by far the best approach.

The finest organized sales talk ever devised can get nowhere unless through an organized approach the opportunity is given for its unfolding. The first five minutes are fateful. So say the experienced, the wise, the successful.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Jefferson Standard Reaches High Mark

Now Has Over \$400,000,000 Insurance in Force and \$85,000,000 Assets

GREENSBORO, N. C. — Striding steadily forward, a major factor in supplying southern capital and credit to meet the vital needs of the south, the Jefferson Standard Life on Sept. 1 passed the significant milestone of \$400,000,000 of ordinary insurance in force



JULIAN PRICE

and \$85,000,000 in assets, states Julian Price, president.

It is the first life insurance institution in the south or the southwest to reach this high mark. Its officials are proud that federal figures of review show the Jefferson Standard, owned by southerners, directed by southerners, is offering citizens in 26 states service and security.

"We who live and work in the south believe in its future," says President Price. "We know it has great natural resources and advantages—a section destined, despite handicaps of the past, for leadership in the development of the nation. The Jefferson Standard is not resting on its laurels. We intend to march forward with the south. This company dedicates itself to meet greater responsibilities in the brightening future."

Within 13 years the \$100,000,000 insurance mark had been passed. Julian Price, with the company from the first, became president in 1919, and there ensued great progress which raised the total to more than \$215,000,000 by the end of 1923. The advent of depression found the Jefferson Standard over the \$300,000,000 mark and holding its own through the lean years. By 1934 the company had adjusted itself thoroughly to conditions. Since 1933 over \$100,000,000 has been added in insurance in force and \$35,000,000 in assets.

In the first years the company kept to the Carolinas and set its policy of widening scope only when organization had been perfected in its existing territory and when it was fully ready to operate in another state. The Jefferson Standard today has 1,000 agents across the southern sweep from Atlantic to Pacific, in Pennsylvania, Ohio, Kansas, Colorado, Wyoming, Idaho, in Puerto Rico and the District of Columbia.

In the last eight years the company has held even more closely to investment in the south. Today, of its \$42,000,000 in first mortgage loans, more than 90 percent is serving the south. The Jefferson Standard's net earned interest on mean invested assets in 1938 was 5.08 percent, in 1937 it was 5.1 percent, and in each of the last four years the company has led all life companies in the United States in this point.

L. O. M. A. Program for Annual Meeting

NEW YORK—The annual conference of the Life Office Management Association to be held at the Hotel New Yorker, Sept. 27-29 will have a varied program.

The member companies located in New York City and vicinity will be hosts to the conference. Among the prominent men who will speak are: F. B. Wilde, president, Connecticut General; L. A. Appley, educational director, Socony-Vacuum; G. A. Hardwick, vice-president, Penn Mutual; Dr. W. A. Granville, vice-president, Washington National; R. C. Tait, assistant trust officer, Genesee Valley Trust Company, Rochester, N. Y.

While the program is addressed primarily to the technical subjects having to do with life office management, several prominent speakers will present papers dealing with pertinent background subjects of interest to the administrative officers. It is expected there will be an attendance of approximately 400 representatives.

Important Reports

Several important life office management research reports will be presented at this meeting. Five standing committees have been engaged in preparing reports during the past year. There will be presented a manual of procedure for life office cost accounting. It should prove an extremely valuable aid to life companies as a suggested procedure for obtaining both departmental and functional costs. The report of the salary study committee this year will consist of a manual which will serve as a guide for introducing a system of salary standardization and job evaluation.

Another feature will be the exhibit of office machinery and equipment at which the more recent developments applicable to life office operations will be presented. Twenty of the more important manufacturers and distributors of office machinery and equipment will be represented. This feature of the program will be supplemented by the presentation of several reports of the standing committee on office machinery and equipment.

The program consists of three full day sessions, the entertainment features being limited to the evenings of the first and second day. The banquet will be held in the Roumanian House at the New York Fair, preceded by a boat trip around Manhattan Island.

J. Finlay Allen, assistant secretary Home Life, is general chairman of the conference. R. A. Taylor, assistant comptroller Sun Life, is president of the association.

Details of the Program

The program in detail is:

Wednesday, Sept. 27

Morning Session

"Modern Management Opportunities," John S. Thompson, vice-president and mathematician Mutual Benefit Life.

"Supervisor's Training Program," L. A. Appley, educational director Socony-Vacuum Oil Company.

"Effective Presentation of Financial Statements for Life Companies," C. O. Shepherd, associate actuary Travelers.

"Life Company 'Income' Statements in Commercial Form," C. E. Mather, Stagg, Mather & Hough.

Afternoon Session

"A Survey of Policy Loan and Premium Extension Practices," Arthur Bajart, supervisor loan and surrender value department Equitable Society.

"Destruction of Life Office Records, with Retention of Miniature Film Copies," E. G. Fassel, assistant actuary Northwestern Mutual Life.

"The Organization and Operation of a Central Transcribing Department," Carl H. Page, assistant secretary Central Life of Iowa.

"Report of Salary Study Committee," G. A. Hardwick, vice-president Penn Mutual Life, chairman.

"Report of Tests Committee," Miss M. A. Bills, assistant secretary Aetna Life, chairman.

Thursday, Sept. 28

Morning Session

Chairman, L. C. Ashton, vice-president and secretary Provident Mutual Life.

"Organization and Routine Changes in the Development of a Life Insurance Company," Ralph W. Beeson, secretary Liberty National Life.

"What the Employee Should Know About His Company and Why," H. H. Buckman, personnel director California-Western States.

"Responsibility of the Home Office Staff for Favorable Public Relations," F. B. Wilde, president Connecticut General.

Business Session and Presentation of L. O. M. A. Institute Fellowship Awards.

Afternoon Session

Chairman, C. M. Taylor, assistant secretary Provident Mutual.

L. O. M. A. Institute Seminar.

"Progress and Objectives of the L. O. M. A. Institute," L. K. Crippen, vice-president Acacia Mutual Life.

"Why Students Fail—Some Observations of a Grader," H. M. Horne, associate actuary Girard Life.

"Essential Considerations for Conducting an Employee Educational Program," Dr. W. A. Granville, vice-president Washington National.

"Presenting the New L. O. M. A. Handbook for Educational Representatives," H. E. St. Clair, associate secretary L. O. M. A.

2:30—Visitation to the offices of the Metropolitan Life.

Friday, Sept. 29

Morning Session

Chairman, H. L. Rhoades, assistant to personnel officer Metropolitan Life.

"A Banker's Viewpoint on the Assignment of Life Insurance Policies as Collateral Security," Robert C. Tait, assistant trust officer Genesee Valley Trust Co., Rochester, N. Y.

Discussion, B. L. Holland, associate counsel Phoenix Mutual.

Report of Office Machinery and Equipment Committee.

"A Survey of New Office Machines and Equipment Applicable to Life Office Operations," G. A. Drieu, assistant secretary Connecticut General.

"Application of Key-sort and Machine Bookkeeping Equipment to Mortgage Loan Accounting—Including Regular Monthly and F. H. A.," Carl Schneider, coordinator National Life of Vermont.

"Physical Factors in the Life Insurance Office," John Crawford, supervisor office equipment and services, Sun Life of Canada.

A preview of the talking motion picture entitled "Yours Truly, Ed Graham," released by the Institute of Life Insurance.

Afternoon Session

Chairman, Richard Boissard, vice-president National Guardian Life.

"Presentation of Manual of Procedure, Life Office Cost Accounting," M. H. LeVita, statistician Fidelity Mutual Life.

"A Suggested Manual of Accounts for Life Insurance Companies" (a survey report), J. Ernest Laurie, supervisor Prudential, chairman.

"What Are Others Doing," Ralph R. Coombs (chairman), assistant to the president Massachusetts Mutual.

Panel Personnel:

George F. Shepardson, assistant treasurer Berkshire Life.

Dwight N. Clark, comptroller and assistant secretary Phoenix Mutual.

W. F. Langford, accountant Imperial Life.

Albert E. Smith, comptroller Security Mutual Life.

Harry F. Allen, secretary Mutual Benefit Life.

The following subjects will be considered in discussional form led by the chairman and members of the panel:

1. Records and routine changes incidental to revision of interest rate on policy loans.

2. Premium checks received at home office direct from policyholders.

3. Additional, alternate and "not taken" policies.

4. Audit of policy loans.

5. Change of address—agency and policyholders.

6. Insurance written by home office employees.

7. Routines for handling lapsed and reinstated policies.

Alternate subjects:

Metropolitan Is Becoming Big Factor in C. L. U.

Fifteen representatives of Metropolitan Life were granted full credit by the American College of Life Underwriters for successful completion of the entire series of C. L. U. examinations conducted in June. This was the largest group from any one company to achieve that distinction this year. Metropolitan had the largest number of candidates to sit for the examinations, 344, and the largest group to pass one or more parts, 259.

The 344 Metropolitan candidates took a total of 624 examinations for the different C. L. U. parts and passed 397, establishing a passing ratio of 63.6 percent. This was 4 points above the average for the candidates representing other companies and organizations and 14 points, or 28% higher than the general passing ratio for all candidates who took the examination in 1938.

Now Has More Than 50 C. L. U.'s

Metropolitan now has more than 50 C. L. U.'s in the United States and Canada and leads all other companies in the number of men enrolled in the C. L. U. study classes. The company has upwards of 1,000 men in these study groups.

In Canada an additional 11 men from Metropolitan were successful in passing one or more parts of the examinations for the Canadian C. L. U. designation.

The number of candidates in the Metropolitan who have enrolled for C. L. U. work has increased sixfold within the past year. This development is attributed by executives of the company to the plan announced a year ago by President Leroy A. Lincoln, under which men and women from Metropolitan are reimbursed in full for C. L. U. registration and examination fees upon successful completion of examinations. This reimbursement is additional to the help which candidates receive through the cooperative fund for underwriter training.

Company Supplies Books

The company supplies free to district offices having men taking the C. L. U. work, a complete set of all required textbooks. The C. L. U. program in the company is under the direction of Third Vice-president Cecil J. North and the field training division. Mr. North, for the past two years, also has served as chairman of the committee of the Life Agency Officers Association which has had charge of obtaining and maintaining the cooperative fund for underwriter training.

Southern Group in New Home

Formal opening of the new home offices in the William-Oliver building, Atlanta, of the Southern Insurance Securities Corporation and its affiliates—Southern Life and Southern Fire & Marine of Georgia, was held.

Several hundred prominent business and professional leaders, state, county and city officials, including Mayor Hartsfield and a delegation from the city hall, and others, called during the reception hours.

The opening of the new home offices was coincidental with the fourth anniversary of the founding of Southern Life.

Graham West, city comptroller and secretary of Southern Life, presented the floral decorations from the Southern offices to Mayor Hartsfield for distribution to the patients in Grady Hospital, following the reception.

1. Implications of pending (or new) legislation affecting the status of commission agents under social security act.
2. Maintaining directory of home office and field personnel.
3. Routine for handling production publicity.

Neslen Meets with New England, Southern Members

Attends Parley of Com- missioners in Boston, Another in Memphis

Several of the New England Commissioners including Blackall of Connecticut, Lovejoy of Maine, Rouillard of New Hampshire, Morin of Rhode Island and Harrington, Massachusetts, held a conference in Boston the other day with C. C. Neslen of Utah, president of the National Association of Insurance Commissioners. Mr. Neslen a few days later held a conference in Memphis with a group of southern commissioners.

Much of the time in the Boston conference was devoted to discussion of accident and health insurance matters. On the same day that the group was meeting in Boston, Harrington of Massachusetts took steps looking toward rehabilitation of Massachusetts Accident.

The commissioners felt that a study should be made of the claim settlement situation in the accident and health field. Some of the group feel that there are too many complaints in connection with claim handling. Blackall of Connecticut asserted that much trouble could be avoided if the companies would secure more detailed information at the time of taking application.

Recommend National Action

The group felt that a greater degree of standardization of policy forms, especially insofar as limited coverage contracts are concerned, is desirable. The New England commissioners decided to recommend that the National Association of Insurance Commissioners appoint a special committee to give study to this matter.

The New England group decided that it would be desirable to have a uniform policy with reference to the method of valuing real estate holdings for annual statement purposes. Blackall of Connecticut said that such uniformity is now especially desirable in view of the fact that the convention examination procedure is progressing satisfactorily.

Mr. Neslen, after attending the conference, went to Hartford with Mr. Blackall.

Jess G. Read, secretary, returned Monday from Memphis, where he met with Mr. Neslen and other southern representatives of the organization. Others attending the Memphis meeting were John Sharp Williams, Mississippi, chairman of the executive committee; James M. McCormack, Tennessee; M. J. Harrison, Arkansas; Frank N. Julian, Alabama, past president, and Ray B. Lucas of Missouri.

Morton Heads Exhibits Committee

Selection of Edward Morton, advertising manager of the North American Life of Toronto, to head the exhibits committee of the Life Advertisers Association has been announced. It will hold its convention in Detroit Oct. 16-18 at the Statler Hotel. This year an important innovation will be staged in connection with the exhibits, with time allotted from the program to study and discuss them. Questions will be in order as to why certain advertising material was prepared and what results were obtained.

Arrangements have been made for those attending the convention to be the guests of the "Ford Sunday Evening Hour" which is broadcast from the symphony hall in Detroit.

LIFE COMPANY STATEMENTS

(Report as of June 30, to Georgia Insurance department)

	Capital	Assets	Reserve	Income	Disburse.
Aetna Life	\$15,000,000	\$645,044,580	\$7,800,000	\$ 75,423,112	\$ 55,923,745
Afro-American	179,136	1,044,978	832,837	668,367	637,075
American Life, Ala.	259,597	1,096,331	700,446	220,505	148,439
American Natl.	2,000,000	77,971,901	61,044,498	11,290,252	7,547,286
Carolina Life	100,000	2,602,323	2,260,434	813,127	674,773
Commonwealth Life	1,500,000	20,275,699	17,601,916	2,512,383	1,658,645
Conn. Mutual	352,187,134	2,328,553,952	1,931,000,000	36,102,872	20,312,744
Equitable Society	10,007,670	8,030,150	656,652	217,039,252	142,680,334
Expressmen's Mut.	450,000	1,157,043	74,545	602,878	378,201
Federal Life & Cas.	179,136	1,044,978	832,837	668,367	637,075
Fidelity Mutual	250,000	38,384,632	34,052,724	11,290,252	7,547,286
Franklin Life	500,000	126,491,271	157,306	121,545	111,709
General American	100,000	298,788	17,986,871	2,561,651	1,895,707
Guaranty Life	200,000	137,224,713	5,087,127	13,052,217	8,678,231
Guarantee Mut.	350,000	22,607,756	783,708,000	2,090,131	1,424,573
Gulf Life	350,000	6,257,980	5,087,127	2,561,651	1,895,707
John Hancock	500,000	946,122,753	783,708,000	108,406,260	78,874,446
Indust. L. & H., Ga.	300,000	3,973,947	2,260,898	3,410,017	2,995,399
Interstate L. & Acc.	300,000	3,457,312	2,744,856	1,291,345	1,134,019
Liberty Natl., Ala.	300,000	5,144,051	4,011,458	1,315,912	1,025,343
Life of Virginia	6,000,000	103,376,406	79,383,496	80,808,197	8,008,320
Maryland Life	100,000	5,327,823	4,578,455	314,766	301,648
Mass. Mutual	300,000	667,387,790	62,060,862	62,060,862	42,292,756
Mass. Protective	300,000	7,542,708	6,259,394	740,886	393,877
Mutual Life, N. Y.	4,000,000	1,424,225,248	1,222,801,933	110,948,866	83,147,719
National L. & A.	4,000,000	67,316,114	54,040,347	14,544,515	10,372,246
Natl. Life of Vt.	200,000	205,110,320	169,155,368	17,814,757	13,099,543
New England Mut.	452,067,169	367,464,798	45,768,423	45,768,423	29,216,954
New York Life	2,702,775,799	2,201,900,000	207,987,968	207,987,968	141,430,673
Old Rep. Cred., Ill.	200,000	797,488	347,564	230,039	256,792
Pacific Mutual	1,000,000	237,205,153	173,963,102	20,473,219	15,963,891
Pan-American	1,000,000	35,272,644	32,916,009	4,286,647	2,553,035
Paul Revere	400,000	3,509,614	1,513,735	1,441,519	815,643
Peninsular Life, Fla.	123,000	3,371,575	1,996,278	808,776	563,454
Penn Mutual	718,658,019	631,758,735	60,709,755	42,481,296	42,481,296
Phoenix Mutual	245,624,532	202,235,467	22,679,278	14,541,906	14,541,906
Protective Life, Ala.	1,000,000	11,842,445	9,346,607	1,710,340	1,211,139
Provident L. & A.	1,000,000	11,810,532	4,976,628	4,386,363	3,658,276
Prov. Mutual	2,000,000	358,480,476	286,944,856	29,449,697	19,746,482
Prudential	2,000,000	3,902,938,792	3,537,696,154	418,630,069	312,908,749
Reserve Loan Life	200,000	10,905,289	9,931,789	933,611	915,769
Secur. L. & T., N. C.	384,000	6,087,575	5,191,171	813,333	510,802
Southern Life, Ga.	227,040	387,670	97,037	55,422	55,631
State Life, Ind.	50,086,479	50,510,904	4,202,533	3,884,662	3,884,662
Travelers	20,000,000	1,010,245,331	849,278,136	116,633,144	83,954,919
United Benefit, Neb.	300,000	13,792,539	11,717,925	2,308,440	1,517,123
Volunteer State	500,000	24,738,494	21,566,776	2,065,144	1,774,207

*Contingency Reserve.

British Companies Ready to Insure Combatants

J. K. MacDonald, assistant general manager Confederation Life, told something about the program that British life companies intend to follow in the event of war. Mr. MacDonald was interviewed in Montreal while attending the meeting of the Canadian insurance superintendent's association.

Ordinary life policies now in existence must be continued on the lives of combatants. If individual soldiers or sailors desire to take short term policies for the duration of their service, they must pay an annual premium of \$100 for every \$1,000 coverage, in addition to the regular premium.

The Canadian companies have not reached a final decision on what course

they would pursue, but Mr. MacDonald pointed out that the Canadian companies are in excellent financial condition, with their reserves exceeding legal requirement. During the world war the Canadian companies paid every claim arising out of the war, and Mr. MacDonald asserted that the position of the companies generally is now even stronger than it was then.

Des Moines Preview of 'Ed Graham'

Members of the Des Moines General Agents & Managers Club and several executives of Des Moines companies attended a preview showing of "Yours Truly, Ed Graham," the new Institute of Life Insurance film. W. W. Jaeger, vice-president Bankers Life, explained the purpose of the movie.

Weigh Future Plans Reserve Loan Life

DALLAS—The Texas group of oil men and financiers that recently acquired the controlling interest in Reserve Loan Life of Indianapolis add little to the original announcement. It was said the Texans invested some \$500,000 in the company.

There will be no material change in operation plans for the present, it was said. What the future holds for the company depends very much on developments in the next few months, it was hinted. No statement is made as to whether the executive offices will remain in Indianapolis or will be transferred to Texas. In Indianapolis Reserve Loan is located in a handsome home office building.

The reports here are the Texas group has been dickering for the company for some time, but that purchase would not be made because of opposition in Indiana to moving the company to Texas.

Reserve Loan has a little more than \$10,000,000 business in force in Texas. That is about one-fifth of its total.

Two Texans have been named directors of the company, they being R. L. Daniel, for years chairman of the state board of insurance commissioners, and Jesse Irwin, Dallas oil and investment man, who is understood to have handled the transaction for the Texas interests.

Toddie Lee Wynne and Clint W. Murchison, who purchased Reserve Loan, are oil operators and up until the Reserve Loan deal have been primarily and practically exclusively in the oil business as independent operators. Both came originally from east Texas and have been active in the oil business since the opening of the east Texas field.

Mr. Murchison is one of the biggest of the independent operators in this vicinity. Mr. Wynne is a lawyer. He got into the oil business as attorney for oil interests. He is still lawyer for Mr. Murchison and is Mr. Murchison's oil partner. They are partners in the Murwyn Investment Company.

The "Underwriters Report," 405 Sansome street, San Francisco, has issued the semi-annual San Francisco-East Bay Insurance Telephone Directory. Over 3,000 agents and brokers are listed. The "Underwriters Report" pioneered publication of insurance directories in Pacific Coast territory. In addition to the San Francisco directory, it also issues a telephone directory of Los Angeles.

Prepare for H. O. Underwriters Kansas City Gathering



RALPH W. BEESON



M. M. BLAIR



D. B. ALPORT

Preparations for the annual meeting of the Institute of Home Office Underwriters to be held at Kansas City, Sept. 14-16, are nearing completion. Ralph W.

Beeson, secretary Liberty National Life of Birmingham, is president; M. M. Blair, assistant secretary of Atlantic Life, is chairman of the convention, and


D. B. Alport, assistant secretary Business Men's Assurance, is co-chairman. Well attended, inspirational and highly educational sessions are anticipated.



Trustful and Trustworthy

YOU have only to look into your children's eyes to read how greatly trusted you are in this world. For everything from toys and sweets to life's most vital things—food, clothes, shelter, and schooling—they turn trustfully to you. And you want to be worthy of that trust. That's why you are urged *here and now* to examine our new Lincoln National Life Salary Continuance Plan. Should you die, it pays your family a regular monthly "salary" for any period you designate. It assures *you* a steady "salary" for life if you live beyond retirement age. Written to fit any income, it costs little, assures much. See your local Lincoln agent for details. Or write us.

More Than A Billion Dollars Insurance In Force
FROM SEPTEMBER 9TH SATURDAY EVENING POST

THE LINCOLN  NATIONAL LIFE
INSURANCE COMPANY
FORT WAYNE, IND.
ITS NAME INDICATES ITS CHARACTER

Examination Report of Pacific Mutual

The regular triennial convention examination of the Pacific Mutual Life as of Dec. 31 has been completed. Seven states participated and the report reflects 5½ months of thorough and compre-

hensive study. It is interesting to note the report of the company itself and the report of the examiners on three major items, assets, liabilities and surplus, as follows:

Assets		Per	Per	Increase by
Department	Company	Examiners	Examiners	Examiners
Participating	\$115,273,053	\$145,336,621	\$	\$ 63,567
Non-participating	56,009,788	56,067,301		57,513
Accident & Health	26,864,420	26,927,412		62,992
Corporate	4,634,479	4,669,409		34,930
Total	\$232,781,741	\$233,000,745		\$219,003
Liabilities				
Participating	\$144,831,947	\$144,969,186		\$137,239
Non-participating	56,009,788	56,067,301		57,513
Accident & Health	26,864,420	26,927,412		62,992
Corporate	1,000,000	1,112,905		112,905
Total	\$228,706,155	\$229,076,805		\$370,649
Surplus				
Participating	\$ 441,106	\$ 367,434		—\$ 73,671
Non-participating, Accident & Health	(recorded through corporate accounts)			
Corporate	3,634,479	3,556,504		—77,974
Total	\$ 4,075,585	\$ 3,923,939		—\$151,646

The remarkable feature of note is that since the last convention examination three years ago, with more than \$230,000,000 of assets it has emerged with a net change of but \$151,646 in surplus account. With respect to adjustments in assets and liabilities, a substantial portion of the increase in each of these amounts is the result of interdepartment adjustments, that is, transfers of entries from one department to another by the examiners. The net effect, therefore, is an increase in assets amounting to \$71,169 and \$222,815 in liabilities. The asset increase results chiefly from the fact

that the examiners calculated the value of stocks of the accident and health department at market price instead of the convention method followed by the company. The increase in liabilities arises principally from an addition to investment contingency reserves, as a consequence of the examiners using a different method of valuing stocks, non-amortizable bonds, and certain pieces of property. The examiners in their summary say, "Our examination of this company indicates that the management is pursuing sound and conservative policies in the operation of the company."

Sees Stimulation in Security Act Change

E. O. Mowrer, general agent for Midland Mutual Life in Akron, O., writes as follows:

"At this time I have been inspired by reading your two recent publications. You have done an excellent job in preparing week in and week out a trade journal to help us keep in touch with the problems relating to our great business. I am especially delighted in having the opportunity to read and study your two recent articles on the social security benefits as amended by Congress.

Offers Constructive Criticism

"I hope that every life underwriter will enjoy these two articles as immensely as I have. I also hope that what I have to say in the balance of the letter will not be taken as a criticism, but as a constructive suggestion.

"The survivor benefits appear to be extremely liberal and whether the government can continue to pay them over a long period of years is open to discussion," is a quotation from one of your articles. "It is inadvisable for the life agent to actively oppose the social security setup in his sales work but he can intimate the uncertainty of the benefit provisions remaining unchanged."

Sees Destruction of Confidence

"What impression do you think the words 'intimate uncertainty' have on the young life underwriter who is just getting started in our business. You, by the use of that phrase are destroying confidence—yes, in our great country, and possibly confidence in the great institution of life insurance.

"The social security act has been amended and will continue to be amended throughout all time. The recent amendment has broadened and improved the act. We sincerely hope future amendments will improve and broaden the services of the act.

"I am very anxious to know to what school of thought the writer of the foregoing quotations belongs to. In 1917 an act of government granting insurance to our veterans stimulated the life insurance business more than any other one thing prior to that. My ex-

perience with the social security has been the second stimulant greater still. And I sincerely believe that the amended social security act is still a greater stimulant to our business. Let's continue our education and help the progress being made in the battle to destroy one of our greatest enemies—poverty. Let us double our effort from now on with the help of the social security act to further destroy this enemy to humanity. It will not be done by 'intimate uncertainty' and insecurity of our great country."

Banquet Speaker



HUGH T. MARTIN

President Hugh T. Martin of the Illinois Bankers Life of Monmouth, Ill., well-known insurance attorney at Chicago, was the banquet speaker at its agency convention at the Edgewater Beach Hotel, Tuesday evening of this week.

Claim Men Arrange for Their Meeting

Program Is Announced for the Annual Convention of the International Body

The International Claim Association has announced the program for its annual convention to be held at the Westchester Country Club, Rye, N. Y., Sept. 11-12.

Superintendent L. H. Pink of New York will give the welcome address. F. B. Wilde, president Connecticut General Life, will have as his subject, "Claims, Claim Men and Public Relations." He is chairman of the new Institute of Life Insurance. Dr. Edgar Mayer, professor of internal medicine Cornell University Medical College, will discuss "Respiratory Diseases." H. C. Walters, Detroit attorney, will present a paper on "Materiality of Misrepresentation." Dr. William B. Smith, assistant medical director Connecticut Mutual Life, will conduct the medical question box. Dr. W. E. Hein, supervisor of claims State Mutual Life, will have as his subject, "Rehabilitation of Disabled Policyholders."

The program committee is headed by

Attends British Rally of Manufacturers Life



H. B. BERWICK

H. B. Berwick, supervisor of field service for Manufacturers Life, is attending the convention of his company's Great Britain agency force. Mr. Berwick is scheduled to address the convention which is being held at Le Touquet, popular French resort, Aug. 29-Sept. 2.

Following the convention, Mr. Berwick will spend some time at the chief office for Great Britain, 1 Regent street, London, and will attend agency meetings at the three London branches and at Manchester, Birmingham, Glasgow and other centers in the British Isles. Although the Manufacturers has been operating in Great Britain only 15 years, it now has more than \$30,000,000 of business in force there and, as in the United States, it is making rapid progress.

Among the "overseas" visitors to the Le Touquet convention, in addition to Mr. Berwick, are A. G. M. Baird, manager for the near east, whose territory includes Egypt, Palestine and Syria; S. Lowrie, manager for southeastern Asia, with headquarters in Singapore, and W. Needham-Clark, district manager in Ceylon, one of the outstanding personal producers in the company's world-wide agency organization.

G. M. Day, Connecticut General Life. J. D. DeWitt, Travelers, is chairman of the entertainment committee and T. L. Anderson, Federal Life of Chicago, hotel accommodations. Four new companies will be elected members.

One of the important entertainment features will be a trip by buses to the West Point Military Academy. This is scheduled for the first afternoon. The visitors will witness the evening parade of the cadet corps. The first business session will start at 9:30 a. m., Sept. 11. There will be no sessions during the afternoons.

A. G. Fankhauser, chief adjuster Continental Casualty in Chicago, is president and will preside over the business sessions. R. S. Taylor, Sun Life of Canada, is vice-president, and L. L. Graham, Business Men's Assurance, secretary. F. L. Templeman, manager of the accident and health department of the Maryland Casualty, is treasurer, and Daniel Reidy, assistant secretary Guardian Life, chairman of the executive committee.

Put Under Ohio Department

Attorney-general Herbert of Ohio holds that the superintendent of insurance is the supervisor of bond investment companies, placing or selling securities on the partial payment or install-

ment plan. There are now only three such companies licensed in Ohio, the Central Acceptance Corporation, Investors Syndicate and Fidelity Investment Association.

Income Payments of Life Companies Reach 302,505

A total of 302,505 persons, generally 65 years and older, are living in whole or in part upon income payments from American life insurance companies, according to the Institute of Life Insurance.

Payments to these holders of income contracts amounted to \$112,957,705 in 1938, according to the Annual Message of Life Insurance committee, headed by Joseph C. Behan, vice-president Massachusetts Mutual Life.

"Providing personal security for living policyholders, in addition to protecting the families of those who die prematurely, has become an increasingly important function of life insurance," Mr. Behan stated. "Many of those now receiving annuity payments have retired from active work, their money-earning days over, but their past savings, invested in various useful enterprises throughout the country by the insurance companies, bring them more than \$112,000,000 a year. This sum comprises an

important addition to the annual buying power of the nation."

The total payment was made up of disbursements of \$101,099,201 to the holders of 289,194 individual income contracts and of \$11,858,503 to holders of 13,311 group certificates. These figures are based on reports from 137 legal life companies representing 92 percent of the insurance in force.

Midland Mutual Employees Picnic

A successful picnic was held for the employees of Midland Mutual Life near Worthington, O. More than 140 enjoyed an afternoon of recreation and a chicken dinner. In the evening prizes were awarded to contest winners, including Emerson Reilly, assistant actuary; Mrs. Grace McMillan, Arthur Howard, Miss Annis Hoffman; Roy Gustin of the underwriting department. A Professor Quiz contest was held.

Bayless Columbus Mutual Man

A. C. Bayless, one of the best advertised life insurance producers of the country, who makes his headquarters in Houston, is now a full-time representative of Columbus Mutual Life, that company announces. Mr. Bayless, for the past several years, has represented both Southland Life and Columbus Mutual.

Complete Protection!

... and An Amazing Record of Progress

30 years of progress and achievement will be celebrated by the leading B.M.A. salesmen this month at the Company's Thirtieth Anniversary Jubilee. Some of these men will have served faithfully during the greater part of these 30 years and a substantial number have been leaders throughout the last decade.

The efforts of these men, plus B.M.A.'s portfolio of Complete Protection, have enabled this Company to effectively expand its services into 30 states and the District of Columbia. And almost daily an ever increasing number of men are seeking to become associated with the Company and the sales organization that have made such a rapid growth.

Not content to rest on past records both the field men and the Company will be making plans at this convention which will enable them to render still more service to policyowners during the next decade.

W. T. Grant, President

J. C. Higdon, Vice Pres. in Charge of Sales

BUSINESS MEN'S ASSURANCE CO.

KANSAS CITY, MO.

Agents Turn Dirt in Wilmington Del., for New Home Office

Continental American Life held a ground breaking ceremony this week, starting excavation for a new home office building in Wilmington, Del. The governor, mayor and other public offi-



A. A. RYDGREN

cials, directors and officials of Continental American and many agents attended.

Ground was broken by the agents who led in a special contest for greatest volume of business and most lives insured, and 53 other winning agents were present. The three leaders were G. M. Doherty, general agent in Boston, whose

personal production was \$96,000 of paid business in the one-month drive, and who was designated "chief spademan"; A. I. Covell, of the Robert Kruh agency, New York, who was termed "lieutenant spademan," and Ralph Benson, Rockville, Md., connected with the Baltimore branch, the latter being leader in number of lives insured, who was spade committee chairman.

President A. A. Rydgren presided. E. C. Burt, oldest representative in service and captain of the "Old Guard," blew a whistle to start the contractor's steam shovel. A luncheon followed the spade ceremony. Governor McMullen of Delaware and Mayor Bacon of Wilmington spoke briefly. Members of the original Old Guard who have seen more than 25 years' field service with Continental American were present.

Give Spade as Merit Award

President Rydgren was toastmaster. In the absence of Vice-president W. M. Rothaermel, R. E. Halstead, supervisor of agencies, announced the winning agents' records and total production figures in the drive. A specially made spade used in the ceremony was given to Mr. Doherty as a souvenir and award of merit. It bore an inscribed plate.

The new building will be a five-story structure facing the corner of Rodney Square. Architecturally, it will be in tune with the post office and court house nearby. It will be L-shaped, with a corner entrance at King and Eleventh streets and a 47-foot span across each wing with no interior columns. It will be of granite and limestone.

The company, at present quartered in the duPont building, expects to move into the new home in about a year.

In the Spade Crusade in June records were set. Paid for new business was greater than in any previous June in history, and exceeded June, 1938, by 44 percent. More than 20 percent of the agents each paid for \$20,000 or more in the month.

Thurman Republic National Speaker

E. B. Thurman, Chicago general agent New England Mutual Life, was the speaker at a fellowship luncheon which marked the high point in the three-day agency convention of the Republic National Life in Dallas. About 100 members of the Dallas Association of Life Underwriters were guests at the luncheon. Mr. Thurman also made the principal talk at the banquet. Nearly 100 members of the Republic National agency force and their wives were in attendance from the seven states in which the company operates.

Production Leaders Honored

H. L. Peterson, general agent Seagraves, Tex., won the presidency of the Leaders Club, for which he received a medal, and was presented a framed certificate and a pin as member of the \$300,000 Club. Paul Huber, general agent Odessa, Tex., vice-president of the Leaders Club, also received a medal and a framed certificate and pin as a member of the \$300,000 Club. A. N. Somerville, home office general agent, third high man in production became secretary of the Leaders Club and received similar awards.

Awarded certificates as members of the App-a-Week Club were T. M. Garner, Hereford, Texas, 37 weeks; R. B. Clark, supervisor of agencies, Albuquerque, N. M., 30 weeks; and O. C. Rogers, general agent Center, Tex., 240 weeks. Messrs. Garner and Clark also received certificates and pins as members of the \$200,000 Club. Ten leaders in the \$100,000 Club received certificates and pins.

Speaking on "Harnessed Power," Mr. Thurman, who was introduced at the luncheon by F. G. Bray of Houston, Texas general agent of the New England Mutual, said the power idea in life insurance is income. Pointing out that

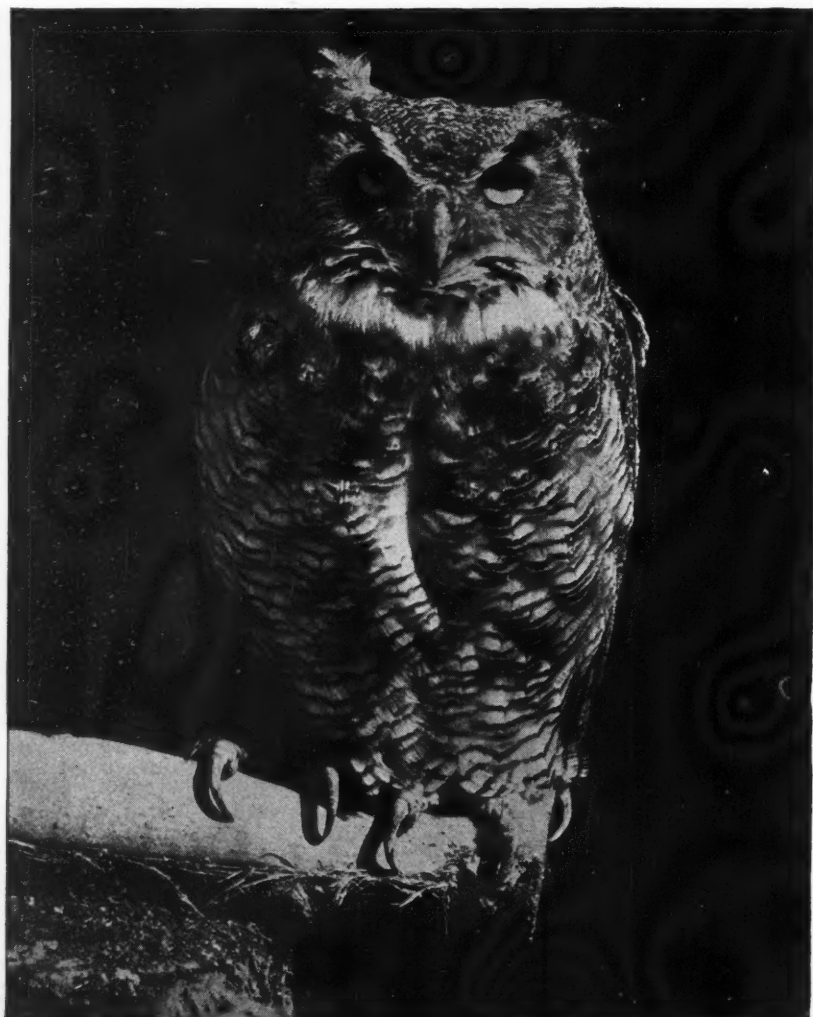
the difference between the cave man and modern man is that the latter desires more food, clothing and shelter, Mr. Thurman discussed three tests to which property to be accumulated as a surplus against the future should be subjected. Early man recognized in his crude way, Mr. Thurman said, that property is valuable as a surplus for the future to the extent to which it can be preserved against the hazards of deterioration, to which it is free from the hazards of outside destruction and to which it is convertible into consumable units when required.

Asserting that life insurance meets these tests better than any other kind of property, Mr. Thurman said "there is no substitute for life insurance, because it is the only self-contained plan ever conceived that will create a new source of power transmuted into a usable, harnessable form of permanent income and hitch that income power through the optional modes of settlement to the work to be done for man."

Scroll Presented to Beasley

At the close of the luncheon President T. P. Beasley was presented a framed scroll by R. L. Thomas, Fidelity Union Life, president Dallas Association, as an expression of appreciation for his service in behalf of life insurance. Greetings from the Texas Association were extended by President Robert M. White, Dallas manager Jefferson Standard Life.

At the opening session President Beasley congratulated the Republic National top producers for their performance the past year. T. M. Mott, secretary-actuary, talked on "Home Office Cooperation." Clem Hilton, regional manager of agencies, Albuquerque, responded on behalf of the agents. Other company executives who appeared on the program were M. A. Anderson, agency vice-president; O. L. Burger, vice-president in charge of investments; C. E. Hasting, general counsel; T. H. Galbraith, vice president and assistant actuary; R. K. DuVall, vice-president and treasurer, and Dr. D. G. Kilgore, medical director.



WISDOM

is rightly attributed to the man or woman who sees through the darkness of economic instability the sound investment of

Life Insurance

GIRARD LIFE

INSURANCE COMPANY OF PHILADELPHIA

Opposite Independence Hall

Aetna Life Program for Regional Rally

The 1939 western regional conference of the Aetna Life will start Tuesday afternoon at the Broadmoor Hotel, Colorado Springs. At the first session L. P. Sabin of Portland, Ore., will preside. The speakers will be J. Stanley Edwards, Denver general agent and past president National Life Underwriters Association; Vice-president S. T. Whatley, Assistant Secretary I. F. Cook of the group division; Superintendent of Agencies A. H. Hiatt, Jr., and Agency Assistant E. M. Reed.

On Wednesday Rudolph LeBoey of Chicago will preside. Speakers will be Associate Counsel D. P. Cavanaugh, Sterling Cockrill of Little Rock; J. G. Vorse, Salt Lake City; L. K. Babcock, secretary, casualty claim division.

A. E. Flamer of San Francisco will preside Thursday. The speakers will be Field Supervisor E. H. Snow, F. B. Falkstein, San Antonio, outstanding personal producer; Superintendent of Agencies R. B. Coolidge and Vice-president Whatley. Those present from the home office will be: M. B. Brainard, president; S. T. Whatley, vice-president; R. B. Coolidge, superintendent of agencies; A. H. Hiatt, Jr., superintendent of agencies; N. M. DeNezzo, field supervisor; E. H. Snow, field supervisor; E. M. Reed, agency assistant; Murray Waters, vice-president; W. H. Dallas, vice-president; Dr. D. B. Cragin, medical director; C. B. Morcom, vice-president Aetna Casualty; C. G. Hallowell, vice-president Aetna Casualty; H. E. Wright, assistant auditor; I. F. Cook, assistant secretary; Logan Bidle, assistant secretary; L. K. Babcock, secretary, casualty claim division and D. P. Cavanaugh, associate counsel.

Union Central Meet Will Be in Quebec

CINCINNATI—On Saturday 450 Union Central agents, managers, home office officials and their guests will en-train for Quebec, for their agency convention. Sessions of the convention begin Monday morning. The party will go to the historic capital of French Canada on board three special sections from Chicago, Cincinnati and New York. The Chicago and Cincinnati sections will meet at Detroit, will pick up the New York section at Montreal.

A feature of the meeting will be a series of graphic displays offering play-by-play descriptions of all home office functions in the benefit, insurance and agency departments.

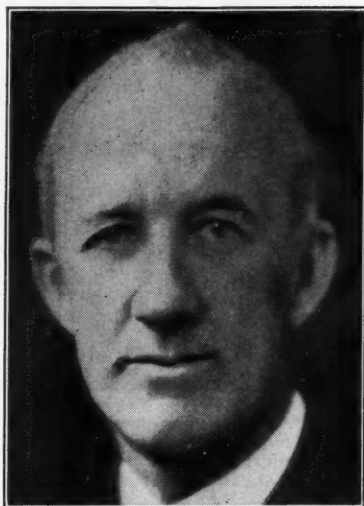
Speakers will be headlined by President W. H. Cox and W. B. Monroe, New Orleans, chairman of the executive committee of the \$500,000 Club. Tuesday's session will be devoted to discussions of home office functions as they affect the man in the field. Announcements of great interest to the field organization will be made on Wednesday morning, and Vice president Jerome Clark, who traditionally keynotes the meeting, will deliver the closing address.

Largest delegation will come from the C. B. Knight Agency, which expects to have more than 40 members in its party. The New York group will be led by President Walter Barton of the Knight organization. Second largest group will attend from the Judd C. Benson home office agency, Cincinnati, which will send a party of 19 delegates.

Superintendent of Insurance Lloyd of Ohio will attend and speak.

Provident Mutual Life—Reports the sale of new insurance amounting to \$34,890,000 during the first six months of 1939, an increase of \$2,201,000 over the corresponding 1938 figures. Insurance in force increased to \$975,955,000, a gain of \$5,055,000. Ledger assets showed an increase of \$9,086,000 to a new total of \$345,818,000.

Popular San Francisco Leader Makes Change



KARL L. BRACKETT

Karl L. Brackett, who has resigned as general agent in San Francisco for John Hancock Mutual Life, is opening a separate office in the Russ building in San Francisco for the handling of tax and other specialized services, group and supplementary lines.

Mr. Brackett has been very active in insurance affairs on the coast for years and is most popular. He has devoted much time and energy to the welfare of life insurance generally. He is a past president of the San Francisco Life Underwriters Association, and served as a member of the advisory committee of the association and as chairman of a number of important committees. He was one of the organizers of the California State Association of Life Underwriters, is a past president of that organization and was a member of the legislative committee for several years. He is well known in the ranks of the National Association of Life Underwriters and was at one time on its national council. He served for several terms as national executive committeeman of the San Francisco association. He was awarded the "Heron trophy" several years ago for his efforts in "preservation of the agency system." Mr. Brackett became associated with John Hancock in San Francisco in 1927. A year later he was made supervisor and in 1929 was appointed general agent.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of August 29, 1939:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.35	28	30
Central, Ill.	10	...	10	11
Gen. States Life	5	...	2	3
Colum. Natl. L.	100	...	65	76
Conn. Genl.	10	.80	24	26
Contl. Assurance	10	2.00	36 1/2	38 1/2
Federal Life	10	...	4 1/4	5 1/4
Great Southn. L.	10	1.30	20	22
Kan. City Life	100	16.00	350	400
Life & Cas.	10	.50	10	12
Lincoln Natl.	10	1.20	28 1/2	30 1/2
New World Life	10	.40	5	6
No. Amer. Life	2	...	2 1/4	3 1/4
N. W. Nat. Life	5	.30	11 1/2	13
Ohio Nat. Life	10	1.25	27	29
Old Line Life	10	.60	10	12
Sun Life, Can.	100	15.00	365	400
Travelers	100	16.00	430	445
Union Cent. Life	20	1.20	20	25
Wis. National	10	1.00	17	20

*Includes extras.

Aetna Life Statement

The Aetna Life as of June 30 shows assets \$645,044,580, contingency reserve \$7,800,000, capital \$15,000,000, surplus \$23,014,727, income \$75,423,113, disbursements \$55,923,745, insurance in force \$4,035,269,541.

Peace of Mind

For more than a quarter century policies of this institution have provided peace-of-mind for those who buy from us—and those who sell for us.

Through good times and bad, payment of just claims has been prompt, equitable, never failing... helping to relieve the distress of destitution... mitigating the hopeless losses caused by death and old age.

Nationally prominent, amply financed and ably managed... one of the few American companies to show increases in assets and insurance in force each and every year since inception... Continental offers your clientele dependable service in all forms of life insurance.

Continental

ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY

The WALRUS



Said

"America's outstanding building project" is the tribute of editors of Architectural Record to the new Home Office Building of Bankerslife, rapidly nearing completion in Des Moines. So impressed with the structure were those editors, on a recent inspection visit, that they plan a special edition of their publication at an early date to tell architect-readers all about it.

—BLC—

... Anent the building, August 1st saw steel workers hoisting the flag to signal placing of the top-most steel girder of the 139-foot high structure.

—BLC—

Frederic Remington's "Howl of the Weather", colorful portrayal by the famed artist of Indians paddling their war canoe through a grim, foreboding stretch of wind-whipped water, will soon be ornamenting many a home and office throughout the land. Six-color reproductions of the Remington painting, mounted for framing, are now being offered by Bankerslifemen to their prospects through an unique promotional plan sponsored by the Home Office.

—BLC—

From a populous Eastern Seaboard city comes a letter to Bankerslife, offered here as a sample reaction to Bankerslife national magazine advertising and indicating trends of thought among the hundreds of thousands of people who see and read said advertisements:

"Yes, I am young, but feel that life insurance is one thing I need. You see, I am married and shall shortly be a proud father.

"I sincerely hope to hear from you shortly, as I am looking for a good company with whom to take out insurance, and understand your firm is quite reliable."

—BLC—

BANKERS LIFE
DES MOINES
Established 1879 **COMPANY**

McNairn Made President of Canadian Officials

At the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada, H. D. McNairn of Ontario was elected president; E. B. MacLachy of New Brunswick, vice-president, and W. E. McLean of Manitoba, secretary and treasurer. The convention next year will be held at Saskatoon, Sask., some time in September.

Commissioner Emery of Michigan in his talk before the Canadian commissioners said that on April 1, every year, his state issues some 75,000 licenses to agents to write insurance. He considers this number about twice as large as it should be. He is inclined to the belief that far more rigid standards should be set up for applicants.

He referred to the large amounts of real estate outside of home office buildings now owned by life companies due to foreclosure of mortgages. He urged that officials be very earnest in reducing that investment item. He said that he finds that the fine, easy going companies are those that have a small percentage of that type of assets.

Mr. McNairn has served as secretary of the organization. He became Ontario superintendent in 1935 after practicing law for a few years. He has made an excellent record in his office.

Name Cord and Trout Dayton Managers of Fidelity Mutual

W. O. Cord, Dayton, O., and L. S. Trout, who has been associated with Mr. Cord for more than 10 years, have formed a partnership, trading as Cord & Trout and will represent Fidelity Mutual in Dayton as managers.

Mr. Cord is the son of C. H. Cord, who was a large personal producer and later general agent for Aetna Life in Cincinnati, O. William Cord has spent his entire life in the life insurance business. Since 1920 he has represented Penn Mutual in Dayton.

During the past 19 years he has paid for a total of \$15,000,000. He is a life member of the Million Dollar Round Table. He is past president of the Dayton Association of Life Underwriters Association, and past president of the Dayton General Agents' & Managers' group.

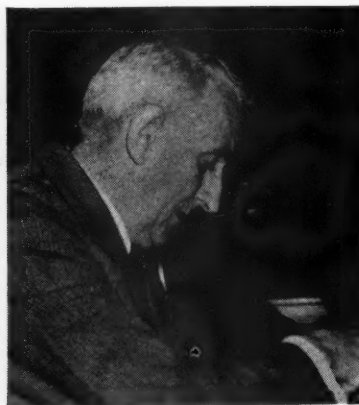
Mr. Trout was born and raised in Christiana. After four years of selling experience in the stock and bond field he entered the insurance business and since 1929 has been a large personal producer with Penn Mutual, associated with Mr. Cord.

Handbook on Policy Approvals

LINCOLN, NEB.—Insurance Director Smrha is compiling from the statutes and rulings of the department what he calls a textbook covering the matter of policy approvals, by which standards new policy offerings will be judged in the future. During the many years in which Mrs. Mary A. Fairchild was attached to the bureau, reliance was generally placed on her knowledge of the law and practices of the department. With the advent of H. J. Murray as chief clerk in her stead, Mr. Smrha found it advisable to make a record by which future judgment may be guided.

R. P. Harrison, formerly general agent at Richmond, Va., for the Union Central Life, died from inhaling gas in the basement of his home there. He was born in Lindsay, Can., in 1877 and was an agent of Sun Life of Canada at Montreal for a time. He went to Richmond about 20 years ago to become general agent there for Union Central, and resigned in 1931, going with Penn Mutual at Richmond as agent. For the last year he was in another business. He was for two terms president Richmond Association of Life Underwriters.

Sutphen on Stand



H. B. Sutphen, vice-president Prudential, is shown as he appeared this week as a witness before the SEC life insurance investigation in Washington.

Find Fewer Banks Now Writing Life Insurance

LINCOLN, NEB.—Fewer bankers are being licensed in the state this year as life insurance agents, records of the Nebraska department show. Insurance Director Smrha said a movement on the part of bankers to retire from this field has been noticeable for several years, due in part to a change from the former policy whereby assistants' salaries were fixed on the basis of what they could make on the side selling life insurance. Bankers found this practice resulted too often in making premium loans that were not repaid, and divided the interest of assistants between banking and insurance.

A. R. Edmiston, veteran general agent of the Union Central Life, says very few bankers in the state now write life insurance. This is largely due to the attitude of companies towards part-time agents especially in territories assigned to full-time men. Companies lost a lot of money during the depression in following out a policy where deposits were made in banks in order to increase the volume of business written in their communities.

Director Smrha says there are no indications, however, of bankers withdrawing from writing fire insurance, which can be handled without devoting any time for solicitation and in the natural course of business.

Capitol Life Contest

For the period ending June 30, prize winners in its Fifty-Fifty Contest were announced by the Capitol Life of Denver as follows: J. A. Schurtz, Wendling, Ore., in agents classification; John S. Green, Portland, Ore., in general agents classification; and M. E. Smead, Portland, Ore., in the supervisors classification. The reward for the first period was a trip to Denver.

This contest closes Dec. 31, 1939, with trips to the San Francisco Fair and a grand prize of a trip to the New York Fair.

Puts Bill of Rights on Placard

A new red, white and blue placard, entitled "America's Bill of Rights," was issued by Northwestern National Life as item No. 30 in the company's historical series. The placard bears the complete text of the first 10 amendments to the constitution. There is an introductory note pointing to the significance of the amendments. The piece is timely in view of the fact that the 150th anniversary of the proposal of the bill of rights by the first congress will be observed Sept. 25. The company makes copies of these series pieces available to its agents for distribution as good will builders.

Wright Says Selling Job Is the Best Life Job

(CONTINUED FROM PAGE 3)

spoke on the Illinois Bankers Life, with discussion by B. W. Koeneman, Illinois general agent. H. E. Wood, Illinois general agent, talked on the "Arrow of Gold" policy, discussion being led by J. P. Lotz, Iowa district agent. D. J. Farrell, Illinois general agent, told how to do conservation work, with discussion by D. T. McKellar, Illinois general agent, who won a conservation prize. Vice-president Korraday gave a view ahead.

Entertainment features included a night baseball game, theater party and automobile trip.

Address of President Martin

Hugh T. Martin, president of Illinois Bankers Life, gave a thoughtful talk at the banquet Tuesday evening, which was attended by about 280. Mr. Martin gave a conception of the practical operations of public opinion in a democracy. He pointed out that no legislature will deliberately offend a considerable element of the population. He contended that life insurance is practically synonymous with the people and that if those in the business strive to make clear the nature of insurance and what it is doing it is certain that no legislative attack will bring injury to the institution.

He warned against those in the business becoming rattled by attacks that are made. They should make sure that the public is given a real understanding of insurance. Those who are engaging in the adverse criticism of life insurance companies, he said, lack an appreciation of the accomplishments of insurance. Mr. Martin said that the country has grown weary of experimental legislation and reform.

Distributes \$4,000 Prize Money

Karl Korraday did the heavy work at the banquet. He passed out some \$4,000 in prize money to leaders in various categories. This is always a spirited hour. Mr. Korraday made the distribution with some well timed pleasantries at the expense of the fortunate ones.

Some of those at the head table were introduced but they were not permitted to speak. They included Roy Davis, assistant insurance director of Illinois; Joseph Fleming of the Chicago law firm of Kirkland, Fleming, Green, Martin & Ellis; Harold Townsend, president Trust Company of Chicago; Ralph Kastner, associate counsel American Life Convention; Barrett Woodsmall, executive vice-president American Service Company, and Arthur Sawyer, secretary, and George Fidler, treasurer Illinois Bankers Life.

Mr. and Mrs. Korraday were hosts at a cocktail party for the special guests prior to the banquet.

James Lee Loomis, president Connecticut Mutual Life, was a visitor in Los Angeles.

ACCOUNTANT WANTED

as supervisor general accounting department of a life insurance company domiciled in mid-west, with outstanding record of sound growth. Must have life insurance background and should be familiar with procedure in preparation of annual statement. Actuarial experience desirable though not essential. Company's growth makes this position available; excellent prospects for man who gives promise of developing executive qualities. Write fully, giving age, experience and qualifications. Address K-35, The National Underwriter.

Industrial People Subject to Probe by the Committee

(CONTINUED FROM PAGE 1)

Policyholders' advance premiums he said that finals for deficiencies in accounting for funds were due only in slight measure to this "kiting" of premiums. He said that of 1,371 agents dismissed last year, 409 had deficiencies or irregularities in their accounts. Most of the latter, he said, were agents who had been with the company three years or less.

Conceding that there should be no cases of deficiency, Mr. Sutphen said that as a practical matter, with 19,000 agents, it is impossible to keep them all on the straight and narrow path, and that "considering that most of these men came in without experience in handling money or trust funds, I think it is a very low rate."

Asked about some of the other causes, Mr. Sutphen listed misrepresenting policy conditions to buyers and recommending to the company risks known to the agent to be in poor health. He denied that more than a very small percentage of agents are now discharged for low production, though admitting that for the years 1931-36 Gesell's figure of 13.2 percent of agents fined for low production was presumably correct.

Explaining the lessened emphasis on production, Mr. Sutphen said in disturbed economic times it had been found impossible to gauge an agent's efforts solely by results.

"We find we do pretty well without making these finals for non-production and I doubt if we would ever go back to it," he added.

Conflicts of Interest

Turning to possible conflicts of interest between companies or between the agent as a salesman and as an insurance adviser, Gesell asked if it is not difficult to keep a family's insurance sensibly distributed where there are policies in more than one company. Mr. Sutphen said there would be no complication if the agent were informed of the other insurance but admitted there are difficulties in finding this out. He conceded that an agent if hard pressed might succeed in keeping his company's policies in force at the expense of a competitor's, but that presumably the agent doing the best service job would succeed in retaining the business.

Gesell brought out in considerable detail the Prudential's attitude on quotas and contests. Mr. Sutphen defended quotas as necessary to stimulate morale. Quotas don't have to be met, he said, and nothing is done if they aren't met. He said quotas are based on past performance and existing conditions and are not just a constant acceleration of the pace.

Big Volumes Scrutinized

Mr. Sutphen said that no contests are run by the company and that while superintendents may run their own contests, the home office checks anything savoring of pressure on the agents. An abnormally large week reported to the home office would result not in congratulations to the superintendent but an inquiry as to the reason.

Gesell brought out that Prudential superintendents last year received on the average \$141.51 a week as against \$96.57 in 1906; assistant superintendents received \$62.56 as against \$24.76; while agents received \$50.07 as against \$14.86 in 1907.

Suggest Straight Salary

After reviewing the Prudential's agent's contract and the clerical expense involved in computing each agent's commissions under it, Gesell wanted to know whether the company had considered the advisability of paying agents on a salary rather than commission basis. Mr. Sutphen said it had but that it is difficult to evaluate the services of a large body of men, that if different

salary scales were paid the company would be constantly flooded with requests for the highest scale.

"Our men work very largely on their own," he pointed out. "They are not like clerks who are constantly under our supervision. The agent can utilize his time or not, as he happens to feel about it. We have always felt that there should be an incentive for payment under these conditions."

New Business a Minor Factor

Asked if the company's desire for new business were not a factor in keeping the commission basis, Mr. Sutphen said that only about 25 percent of the agent's compensation, on the average, is for getting new business.

J. J. O'Connell, special assistant to the general counsel of the Treasury Department and a member of the subcommittee, wanted to know why agents discharged for shortages were prosecuted only rarely. Mr. Sutphen said that the men are usually not bad at heart and are merely careless in handling money entrusted to them, while the average shortage, about \$100, is too small to justify any very expensive legal steps. As for turning such cases over to the district attorneys, Mr. Sutphen said the company had no desire to persecute these men and considered that loss of their jobs was punishment enough.

Cardozo's Nephew on Stand

M. H. Cardozo, attorney on the SEC insurance staff and a nephew of the late U. S. Supreme Court justice, testified at length on the SEC's study of industrial policy contracts, and the wide divergence of states in the degree of control they exercise over policies and agents. A suave and serious young man, he got a laugh by his statement that he didn't believe a certain company would enforce its contract provisions under the disability clause, which seemed to call for severance of both hands and feet if premiums had been paid for more than three years.

The analysis covered more than 1,000 policies, which were obtained by writing 60 industrial companies and asking for specimens of contracts issued since 1932. He called attention to limitations of provisions as compared with ordinary, particularly sections, such as double indemnity, which appeared to promise certain benefits but which upon close analysis, were found to make the company liable only under extremely rare circumstances. He cited a policy which played up its double indemnity but which would pay the accidental death benefit only if the accident occurred in a passenger elevator fall, a passenger train wreck, a steamship wreck, fire in a building which the insured had entered before the start of the fire, collapse of outer walls of a building, or a bolt of lightning.

Stresses Lack of Uniformity

Mr. Cardozo particularly stressed the lack of uniformity of policy provisions among different states and the lack of requirements as to uniformity in many states, although New York has 10 standard provisions for industrial contracts. He pointed out that legal restrictions on ordinary in many states do not apply to industrial, for example, the limit on acquisition cost in New York. He said the lack of uniformity is particularly confusing to industrial policyholders, whose understanding in many cases is necessarily limited.

E. G. Eklund, manager Life Insurance Adjustment Bureau of New York, testified on the work of his organization in readjusting policies of people thrown on relief. He said that 85 to 90 percent of relief clients' insurance is industrial. The bureau, jointly supported by the Metropolitan, Prudential and John Hancock, has by readjusting insurance to fit the reduced income level of policyholders, returned to them between \$5,000,000 and \$6,000,000 in the last eight years, according to Mr. Eklund.

Gesell brought out that social agencies feel that it is desirable that relief clients, even children, have enough insurance for funeral expenses. Mr. Ek-

lund said that agencies rarely ask that all policies be cash surrendered. The usual readjustment is from endowment to whole life and a scaling down of protection to the reduced income. At the witness's statement that the average number of policies handled for each relief family was 8.1, John Lord O'Brien, who has been representing Metropolitan as counsel at these hearings, interposed a question as to whether that figure represented policies on which premiums were being paid. Mr. Eklund said it included policies on which premiums were not being paid but which the bureau had considered as having some possible salvage.

A. M. Schwartz, District of Columbia public assistance office insurance adviser, was the final witness Monday. He said the greatest trouble is with the type of sick benefit policy in which roughly 20 percent of the premium is for the life insurance portion, the remainder covering the sickness hazard. All have cancellation clauses, he said, and companies cancel if the insured becomes ill too frequently. He said that because District of Columbia laws do not prohibit it companies issue these policies with no provision for continuing the life portion even though there is a provision in other states that the company must convert the life portion to a life contract where the sickness benefit is cancelled.

Monumental Life Testimony

All of Thursday and Friday's testimony last week was devoted to the Monumental Life of Baltimore. Emphasis was on the conversion of the company from the Mutual Life of Baltimore to a stock company under the present title. Officials made it clear that the change was made in the interests of better management and that the move had the active support of the Maryland department. Testimony showed that cliques were formed in the old Mutual's field managerial force which threatened to take over control, via policyholder proxies, and oust the existing management.

Change to a stock basis enabled the company to go ahead in its expansion program, it was said. Gesell's questioning brought out that loans, admittedly amply secured, had been made by the company to its chairman, P. M. Burnett, through his secretary, amounting to \$45,000 at their peak. While the Maryland law did not prohibit this practice, Gesell brought out that most of the other states in which the Monumental was admitted barred loans to officers and directors, either directly or indirectly. Mr. Burnett stressed the security behind the loans and said he saw nothing wrong in his acts.

Resents Gesell's Implications

Resenting Gesell's implications, Mr. Burnett said that "you are looking for dirt and this is some of it."

Gesell also directed attention to the way in which stock was allocated at the time of conversion from a mutual company, particularly the sale of shares to two men in the Maryland insurance department. M. E. Roberts, vice-president, denied that the allocation to them had anything to do with the department's attitude, saying that they were veteran employees of the department and the allocation had been made merely because they had requested it.

FEE COUNSELLOR

Airing of the pros and cons of the fee counsellor system, with M. H. Siegel of the Policyholders Advisory Council on the affirmative, and President L. A. Lincoln of the Metropolitan Life upholding the negative, lent drama to a week of monopoly committee hearings which had started off rather drably. High point of the day was Mr. Lincoln's earnest denunciation of Mr. Siegel and other fee counsellors.

This brought on a clash with Gerhard Gesell, counsel Securities & Exchange Commission, who unsuccessfully appealed to the presiding officer, Congressman Casey of Massachusetts, vice chair-

man of the TNEC subcommittee before which hearings are being held, to prevent Mr. Lincoln from reading into the record excerpts from radio attacks which Mr. Siegel had made on industrial agents.

Lincoln's Contention

Mr. Lincoln pointed out that Gesell had asked him the basis for the Metropolitan's opposition to fee counsellors (to which Mr. Siegel had previously testified) and that in order to appreciate the company's reasons it was necessary to know what Mr. Siegel and his kind were doing. Casey ruled in favor of Mr. Lincoln, who went on to cite excerpts from Siegel broadcasts including the following:

"I have often told people who come to my office that I wouldn't believe the average agent if he swore an oath on the Bible, unless he wrote down what he said and signed his name to it before my very eyes, so that he could not repudiate his signature later on."

"Last Sunday I said that the weekly premium policies were highly deceiving documents, and this Sunday I repeat that they are not only deceiving by accident but that they have been deliberately designed to be deceiving."

"If you go to your agent you will be skinned alive before you will get out of his hands. He will bamboozle you from here to Halifax and back, take the gold fillings out of your teeth, talk you deaf, dumb and blind until you are dizzy, and then tell you lies about us to keep you tied down to your present heavy premium payments, on weekly policies at that."

Charge Erroneous Advice

Mr. Lincoln said that there had also been "countless" complaints from policyholders about erroneous advice given them by the Siegel bureau and other similar organizations. Tracing the situation from its beginning, he gave the circumstances of Mr. Siegel's dismissal as a Metropolitan agent for irregularities in handling funds, his reinstatement after he had made good the amount involved; and his subsequent dismissal despite an imploring letter asking for reconsideration of the decision.

Besides the disagreement over introducing the Siegel radio excerpts into the record there were other clashes between Gesell and the Metropolitan's president. Mr. Lincoln was inclined to be critical of the degree of detail in the information requested of him, while Gesell's reports ranged from ultra-polite to impolite. Once, as Mr. Lincoln started to answer a question before Gesell had finished asking it, Gesell stopped him, saying, "I'd at least like to finish the questions once in a while."

Visiting Nurse Service

Earlier Gesell observed that the witness hadn't mentioned the company's visiting nurse service.

"I did mention it but I guess you didn't get it," replied Mr. Lincoln.

"I deeply apologize," said Gesell sarcastically.

At another point the examination got off into a discussion of the purpose of industrial insurance, Gesell and other questioners trying to get the witness to state that it is mainly burial insurance. Irritated at Mr. Lincoln's endeavor to define exactly the role of industrial, Gesell who is under 30, sat back and said in an annoyed tone:

"Go ahead, Mr. Lincoln, get it off your chest."

Any Need for Counsellors?

J. J. O'Connell, special assistant to the Treasury Department general counsel, asked Mr. Lincoln in connection with testimony on the Siegel bureau if he thought there is need of anyone doing the job undertaken by the counsellors. Told that the agents were able to fulfill this function O'Connell wanted to know if their monetary interest might not influence the advice they would give. Mr. Lincoln said he had too much respect for the agents to be impressed by

(CONTINUED ON PAGE 20)

EDITORIAL COMMENT

"I Will See You After Labor Day"

"I WILL see you after Labor Day," has become now an almost universal procrastinating statement. In fact, Labor Day has been chosen as the hub around which many spokes of the wheel revolve. Schools start right after Labor Day. Hundreds of people come home from their vacations after Labor Day. Many events are set to occur shortly after Labor Day. The activities start, the machinery begins to hum, there is a buzz of business. During the dog days of August and sometimes in July only routine is dispatched. No one wants to have anything important transpire. There is much golf playing and other

forms of recreation. We read novels that are not thought provoking. There are convivial parties at the 19th hole of the country clubs.

Life insurance salesmen come in direct contact with "See me after Labor Day" and that has made the going rather difficult and thorny along the paths of August. Inasmuch as the wheels start running right after Labor Day and psychologically lead people down to business, it is an excellent time to speed up from the sales standpoint. We have all had an enjoyable summer and now we return to the more serious demands of life.

Tables Are Turned on Life Insurance Men

EVEN with the modern sales methods involving programming and needs, life insurance men are prone to talk figures and terms of contracts. Because they themselves can quote figures freely they erroneously assume the prospect can comprehend what they are talking about. Many times when a prospect decides to "think it over" it is because he has not understood the proposition and although he may be favorably inclined his lack of complete understanding deters him.

Life insurance men have been told this before but with the new social security amendments they are given a chance of sitting on the other side of the desk. Few life insurance men realized what it was all about when passage of the revised social security act was announced. The 40 percent of the first \$50 a man earns, plus 10 percent of the next \$200 he earns, plus 1 percent for each year he comes under the act—the social security primary insurance formula—was so much Greek. Then when you had to take 50 percent for this and

75 percent for that with a few definitions regarding average monthly payments, currently insured, fully insured, etc., on the first explanation this all added up to "What the hell is it all about?"

Without getting into any controversy about whether or not the social security provisions are more or less complicated than life insurance, the point is that to the average layman it is mighty difficult to understand the figures and terms of another man's business. Because life insurance men are fairly familiar with figures and terms similar to those used in the social security act, one would expect them to grasp the social security details more readily than the average person. However, this was not the case, although there were, of course, some exceptions. We point this out not as a reflection on the intelligence of insurance men but as a basis for a plea for not befogging prospects with complicated life insurance facts and figures. A simple presentation is always desirable.

Promotion Is Not an Accident

THE promotion of a man does not arise on account of an accident. The fact that a promotion is made does not indicate any sudden conclusion. A man develops gradually. He arrives by steady processes. He is watched and studied by his superiors. Officials are always looking for capable men, blessed with the power of reaching sound judgment, who are resourceful and meet the requirements.

Too many people down the line spend too much time endeavoring to cultivate someone higher up or conjecturing as to what should be done to ingratiate them-

selves in the minds of their superiors or how to get a more advanced position. The more time one gives to conniving, devising and endeavoring by some artificial means to rise, the worse he is off.

For the most part employers are fair in their treatment of employees so far as promotion is concerned. The employee himself may have a false estimate of his own ability. There is no quality that is more useful and satisfactory than to be able to know one's self. Too often people have an exalted idea of their own attainments and qualifications and yet their superiors may not have the same

estimate. We frequently find employees who make a real success as heads of departments and yet would fail if they were endeavoring to run the institution itself. As a result a person will rise to his proper level without undue conscious

effort if he carries on day by day. The best way to secure promotion is to do one's job down the line thoroughly, capably, learn to reach proper conclusions, and to be resourceful and creative.

PERSONAL SIDE OF THE BUSINESS

W. W. Klingman, Texas state manager of the Equitable Society, who has been rusticated in the lake and woods region of Minnesota, has returned to his home in Dallas.

Excavations for the new home office building of the **New England Mutual** Life in Boston, Mass., uncovered remains of an ancient fish weir which indicated the presence of Indians in Boston as long as 3,000 years ago.

C. Harvey Stull, newly appointed general agent New England Mutual Life at San Francisco, was introduced to general agents and managers of that city at a luncheon this week by W. E. Hays, director of agencies. Mr. Stull succeeds O. C. LeBart, who recently resigned to spend several months in travel.

Arnold Dewar, China manager West Coast Life, is vacationing with his family in California after two strenuous years endeavoring to keep an organization together and conserve business in Shanghai and other treaty cities of China. He came to attend the agents' convention Sept. 8-11 and to confer with executives. Mr. Dewar noted that business has been persistent and only one small claim was filed as a result of hostilities in Shanghai. The company resumed writing business in China under certain restrictions. The West Coast writes foreign-born residents and Chinese of the better business and professional classes. Since Mr. Dewar went to China four years ago to change the office from a general agency to branch office he has opened other agencies in Hong Kong and Tientsin, and has located agencies throughout adjoining territories. He said hostilities have gone beyond these centers and business is getting back as close to normal as possible under changed conditions.

J. P. Robinson, Dallas, inspector of agencies for the southern department of the West Coast Life, has been awarded a trophy because of his department's victory over all others in percentage of gain in business in force the first six months.

P. T. Conklin, district agent of the Northwestern Mutual Life for 20 years, at Fairmont, Minn., is elected state commander of United Spanish War Veterans. He leaves soon to attend the national convention of Spanish War Veterans in Atlantic City.

Arthur P. Shugg, St. Louis general agent of Aetna Life, has completed a month's cruise in Lake Michigan, as far north as Charlevoix in his power boat "Caprice, II."

S. B. Love of Richmond is celebrating his 50th anniversary with the Mutual Life of New York. He started as an office boy in Columbia, S. C., Sept. 1, 1889. After some years he became manager in Memphis and in 1911 was transferred to Richmond as manager, holding that position until he was retired sev-

eral years ago. Since then he has been associated with the Richmond office as a producing agent.

Frank A. McDevitt, general agent for General American Life in Omaha, is active civically and sponsored the McDevitt's Legion baseball team of Omaha, which meets the eastern legion team there this week for the "little world series" and the nation's championship.

H. P. Hartigan, son of the late John A. Hartigan, former Minnesota insurance commissioner and later inspector of agencies of the Equitable Society with headquarters at St. Paul, is now head of the social security board at St. Paul.

H. B. Houghton, president National Aid Life, Oklahoma City, and wife, sailed Aug. 23 from Le Havre, France, on the "Normandie" for New York.

Heischel Lamme, cashier and agency assistant of Redfield Associates, representing Mutual Benefit Health & Accident and United Benefit Life in Chicago, was married at Creston, Ia., to Miss Lola Recknor.

E. W. Brailey, general agent for the New England Mutual Life at Cleveland, has completed his tenth year in that office. To celebrate the occasion his agency force is holding an outing in his honor Friday at Congress Lake. The Brailey agency has made an exceptional record in securing high production from new agents. Production for the first eight months of 1939 shows a fine increase of the same period during 1938.

Louie E. Throgmorton of Shreveport, associate general agent Aetna Life, addressed the Memphis Sales Managers Club, defining salesmanship as "getting acquainted with the buyer so you can make a deal based on benefits mutually conferred."

DEATHS

G. R. Craft, former Cleveland, O., manager Bankers Life of Des Moines, died at his home in San Marino, Cal. He was agency manager at Cleveland for 16 years, resigning in 1930 when his health became impaired. He had maintained a contract with the Los Angeles agency since residing in California. Mr. Craft suffered a stroke early in May and had been bedridden and partially paralyzed since. He started with Bankers Life as agent in Ohio in 1905 and established the Cleveland agency in 1914.

Arthur Niemeyer, 70, manager Guardian Life, Belleville, Ill., died from a heart ailment. He started in the insurance business there in 1891. He was said to have been the oldest field man of the Guardian Life, which he represented for many years.

Mrs. Clarissa Spencer, 79, wife of **John D. Spencer** of Salt Lake City, for more than 40 years with the New York

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Life, died Aug. 21, following an illness of several weeks. They had been married 57 years. She was a daughter of Brigham Young. Mr. Spencer is president of the Dean's Club, an organization of veteran western life insurance men, founded several years ago at Salt Lake City.

F. J. Seibel, 57, Grand Rapids, Mich., district manager Northwestern National Life, died after a four months' illness. He had been with the Northwestern Na-

tional 12 years and was in the "big ten" in business production for that company. He served as president of the Grand Rapids Life Underwriters Association.

Grant DeTray, 73, in insurance work in Toledo, O., more than 34 years, died at his summer home at Haughton Lake, Mich. He was formerly a director of the Columbus Mutual Life and at the time of his death was with the Michigan Life.

NEWS OF THE COMPANIES

State Mutual Names Advertising Head

The State Mutual Life has appointed A. F. Sisson, well known Boston advertising man, as advertising director. He will have charge of the advertising and sales promotion work of the agency department. He has had 19 years combined experience in selling, sales promotion and advertising.

Beginning his advertising work on his graduation from Boston University's College of Business Administration in 1920, he was connected in Boston for four years with the Procter & Gamble distributing company as head of the sales statistical department.

Next he was with the Atlantic Lumber Company as an assistant to the president and later operated a sales territory. He was subsequently taken into the office as assistant to the sales manager, in charge of the direct mail sales promotion and initiating its house organ.

Since 1930 Mr. Sisson's work has been in advertising agencies. A director and vice-president of Wood, Brown & Wood Company, Boston, he has served important accounts.

Named Director of Salary Savings of National Life



A. C. BOWSER

A. C. Bowser has been appointed director of salary savings for National Life of Vermont. He has had a broad experience in salary savings with two other companies and his duties with National will be to take over the chief responsibility of promulgating the salary savings plan in all agencies.

Mr. Bowser is a graduate of Bucknell college, 1923. After graduating he played professional football with the Canton, Cleveland and Philadelphia clubs.

For eight years he was in the motor truck distributing business.

Adam E. Littig, who is now midwest supervisor for National, introduced Mr. Bowser to life insurance about a decade ago, and he proved successful as a salesman, later specializing in salary savings. He was supervisor of the salary savings division of the Edward A. Woods Company agency in Pittsburgh. Before that he was with Penn Mutual.

Shortly after organizing his plans at the home office Mr. Bowser will begin a series of agency visits. His present home is at Crafton.

Hamilton Soon Will Be Board Chairman

The agency bulletin of the Federal Life of Chicago states that on Sept. 6, the 75th birthday anniversary of President Isaac Miller Hamilton, he will turn over the presidency, after 40 years of continuous and successful service, to Executive Vice-president L. D. Cavanaugh. Mr. Hamilton will then become chairman of the board. On Sept. 8, the Federal Life will celebrate the 40th anniversary of its incorporation. The Federal Life agency clubs have been meeting in New York, President Hamilton, Executive Vice-president Cavanaugh, Vice-president George H. Barmore and Assistant Vice-president Spencer Keare being present from the home office.

Two Contests Started

Two contests have been started to celebrate the Federal's 40th anniversary and to honor President Hamilton. One is a 40th anniversary contest, the aim being for each agent to write \$40,000 of business in September, paid for by Oct. 31. To those who reach this goal, chests of silver bearing suitably inscribed plates will be awarded. Another contest will start Sept. 1, to run 2½ months. This is a football campaign, with cash prizes for the leaders.

The Federal, which held its agents' club meetings in New York last week, is planning a series of regionals during the winter, with a six-months' qualification period to end Dec. 31.

First Audit Under New Vt. Law

The first examination to be conducted under the amendment to the Vermont law is being conducted in the case of National Life of Vermont. The amendment provides that the expense of quinquennial audits of domestic companies up to \$17,500 be paid by the companies themselves. The \$17,500 must be prorated among the companies in such proportions as the cost of each company bears to the total cost of examination of all companies. The examination is being conducted by nine examiners representing Vermont, five of whom are connected with Joseph Froggatt & Co., and by examiners from Mississippi, Illinois, Ohio and California.

The field force of the Ohio State Life is putting on a special campaign commemorating the anniversary of Claris Adams' becoming president.

NEW YORK

NEW YORK CODE CHANGES

Sterling Pierson, counsel Equitable Society, this week spoke before the annual meeting of the Federation of Insurance Counsel at Rye, N. Y., considering some of the changes which have

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If you want to get in touch with any successful Union Central producer during the early days of September, you can reach him at one of the world's most glamorous hosteleries—the Chateau Frontenac in quaint old Quebec.

Beautiful, interesting locations are a regular feature of Union Central's yearly Conventions. But that's only one reason for the popularity of these meetings.

Another reason—at these meetings Union Central men from every corner of the country establish friendships that endure year after year. Many of them correspond regularly, exchanging news and ideas.

Still another reason—the men who attend find that they go home equipped to earn a better living...full of practical ideas and new sales slants that make their selling effort more fruitful.

No wonder Union Central salesmen express great enthusiasm over their Company conventions.

Here are the places where recent Union Central Conventions have been held:



HAVANA-1938



WHITE SULPHUR SPRINGS-1937



MIAMI-1936

been made in the statutory provisions relating to life, accident, health and annuity contracts in the new New York code. He did not attempt to deal with industrial insurance, which he said is a field that requires special consideration. He took up the various sections relating to his subject, telling explicitly what changes had been made and where possible gave citations of cases bearing on the subject.

He said that there has recently gone abroad from Washington as the result of the SEC investigation the impression that there has been very little regulation and supervision of the insurance business and that what there was of it was antiquated and outmoded. Those who have worked with the New York department, he said, know that these impressions are wholly incorrect. But not everyone else does. He stated that whatever fault one may find with the code he should recognize in it a very tangible and valuable implement for correcting these impressions. Anyone who reads it carefully, he said, will recognize that whether or not all insurance men agree with all of it, it constitutes a real landmark in the field of life insurance.

SOME RELAXATION IS NOTED

Complaints are being heard that ethical standards on twisting are not being enforced so well during the dull periods in life insurance as they were a few years ago. It is suggested that the need for business or the need of allowing agents to earn commissions to live on, may have caused companies to relax somewhat from the high standards they formerly adhered to.

One agent reports that he lost a \$10,000 ordinary life policy, which was dropped when the customer was sold \$25,000 term insurance. He wrote his company and asked it to complain to the one that had done the twisting. This was the former practice. He got a reply to the effect that he could write to the twisting company himself if he so desired. He drew from this the thought

A. R. HOULE TO BE HONORED

Vice-president C. O. Fischer of the Massachusetts Mutual Life will be in Chicago this week sponsoring an installation luncheon in honor of A. R. Houle, the new general agent in Chicago, who succeeds John Dingle, resigned. The luncheon will be held at the Blackstone Hotel and some outside insurance men and the agents of the Houle office will be present.

A. D. Lynn, assistant director of agencies at the head office, will preside at the luncheon. Vice-president Fischer has invited the heads of the Chicago life insurance organizations, and some

that his company may have been in a glass house.

In another case a total of \$68,000 was lapsed and replaced by a program in one of the larger companies. Part of the \$68,000 consisted of \$30,000 on a particularly desirable plan that is hard to obtain except in the company that had it. The agent losing the \$30,000 wrote the new company, one rated as highly ethical, expressing surprise that it would undermine such a desirable coverage. But before replying, the new company wrote its agent to get a statement from the insured that he was satisfied with the new program. The agent obtained the statement and then the new company briefly replied that such a statement had been received. The \$30,000 was in a company of unquestioned strength and the policy was not only not subject to criticism, but was particularly desirable from the insured's point of view.

Fears are expressed that unless there is a tightening up some of the publicity that twisters and their efforts are receiving may cause a general relaxation and a return to old conditions.

AS SEEN FROM CHICAGO

of the officials of the Harris Trust & Savings Bank. Inasmuch as there will be a regional conference of Massachusetts Mutual general agents in Chicago that day from the central west, there will be 14 of those present. E. W. Hughes, the other general agent of the Massachusetts Mutual at Chicago, will be one of the honored guests.

HARRY WRIGHT'S RECORD GIVEN

"Equitable Agency Items" gives the record of Harry T. Wright of the Woody agency of the Equitable Society in Chicago, who has been with the company for 32 years. For the last 16 years he has paid for more than \$1,000,000 of life insurance annually. The schedule of his production from 1924 to date in the Equitable is as follows:

Year	Volume	Premiums	Cases
1924	\$1,012,221	\$38,179	103
1925	1,197,292	33,799	112
1926	1,342,963	41,602	125
1927	1,555,201	56,530	126
1928	1,800,675	62,280	115
1929	1,459,217	44,217	118
1930	1,200,714	37,322	107
1931	1,247,441	39,810	118
1932	1,006,170	34,489	121
1933	1,067,103	30,142	150
1934	1,044,451	37,200	115
1935	1,526,969	73,525	148
1936	1,343,442	70,949	90
1937	1,208,991	46,475	126
1938	1,521,426	54,413	153
1939 to date	1,093,348	43,348	102

CHAD LETTON IS ADVANCED

Manager John R. Hastie of Mutual Life in Chicago has appointed Chad M. Letton as agency organizer. Mr. Letton previously had been supervising assistant.

PUBLISHES "BROKERS TIPS"

Cramsie, Laadt & Co., general agents Northwestern National, Chicago, are now publishing a small pocket size monthly paper called "Brokers Tips." It is for general insurance brokers and is edited by A. H. Ehresmann, manager of the life department. Each month this will go out to brokers, containing information pertaining to forms of coverage offered by Northwestern National.

SPECIALIZE ON SMALLER CONCERNS

It is not very often that two experienced agents of the same productive ability in life insurance work in pairs, having interviews with prospects when both are present. Very often an experienced man will go out with a new man in order to coach him and teach him the best methods of approach and solicitation. Then again an experienced agent often will have some specialty man, assistant manager or even the manager accompany him on a special case. In one of the Chicago agencies two experienced men work together on almost all their cases. Occasionally they go alone but not very often. They specialize on small and medium sized business concerns, selling business insurance, pension plans, etc.

REDFIELD GROUP SHOWS INCREASE

Redfield Associates, Chicago, managers for Mutual Benefit Health & Accident and United Benefit Life, showed a healthy increase in paid business for the first eight months as compared with 1938. Health and accident is up 23 percent and paid for life is up 16 percent.

August showed a 70 percent increase over August of last year.

Four full-time men have been added to the staff in the last three months. Heischel Lamme has been made cashier and agency assistant. Mr. Lamme, who graduated in law from the University of Nebraska, spent two years in the home office of Mutual Benefit Health & Accident before going with the Redfield agency.

KERNODLE MAKING A RECORD

O. P. Kernodle, who is manager of the Conway building branch of the Phoenix Mutual Life in Chicago, started from scratch. He has made a remarkable record for a new agency. This year so far he has increased his production

90 percent and his premiums 63 percent over the similar period of 1938.

Mr. Kernodle entertained his agents at an afternoon of golf and dinner at the Tam O'Shanter Golf Club in appreciation of the fact that the agents maintained a good production in August, when Mr. Kernodle was vacationing in southern Colorado. Five of the nine members of the agency qualified for the Leaders Club convention of Phoenix Mutual Life at Oyster Harbor Club on Cape Cod, commencing Sept. 6.

PHIPPS AT HEAD OFFICE

D. Miley Phipps, who was formerly one of the supervisors in the Northwestern Mutual Life agency in Chicago, and has gone with the Bruce Parsons Mutual Benefit Life agency in that city, went to the home office for a month to study its "Analograph" system. He will return to Chicago at the completion of his study and then will start to build a unit in the Parsons office.

ECKSTONE GOING STRONG

S. S. Eckstone, the new general agent of the Manhattan Life in Chicago, in his first two weeks submitted 16 applications, all examined, for a total of \$113,500. He was the second man in the organization with such a remarkable record. He will qualify for the Manhattan Club which will sail on the "Queen of Bermuda" for Bermuda, Sept. 30 from New York. So far up to Sept. 1 he has written \$400,000, with one rejection.

F. J. Pfeiffer, senior Nylle of New York Life in the clearing house branch, Chicago, associated with Agency Director Frederick Bruchholz, died at the age of 65 after an extended illness. He was connected with the company 26 years.

AGENCY NEWS

Ramsay Agency in Unique Contest

NEWARK — A unique production campaign was staged by the John A. Ramsay agency of the Connecticut Mutual Life in Newark. There are three units in the agency, headed by Lester Horton, Michael DeMucchio and Harold Nenninger. The latter two units challenged the Horton unit to a month's production campaign ending Aug. 25.

The Horton unit, winners of the contest, were guests of Mr. and Mrs. Ramsay at their summer home, "Journey's End," at Colebrook River, Conn. They compelled the members of the two losing units to wait on them hand and foot, wash dishes, make beds, get their newspapers, cigarettes, letters, polish their shoes, mix drinks, etc.

Smith Has Training School

The Horace Russel Smith agency of the Jefferson Standard Life at Houston celebrated August as the best month in volume in the last 18 with an all-day agency training school. The agency now leads the company in conservation, and it has recorded an increase in business in force for 84 consecutive months.

Leaders in a production campaign, ending this month, in the C. W. Streeter agency of the Equitable Society, St. Paul, will be guests at an outing at Bay Lake, northern Minnesota, Sept. 8-10.

Not Following Metropolitan on Death, Dismemberment

There seems to be no disposition to follow the lead of the Metropolitan Life in discontinuing the principal-sum-only accident contract. However, all companies are wary in underwriting it and none will take big limits. Today nobody wants to participate in a total line which runs over \$100,000, although it used to be possible to get \$300,000 or \$400,000. London Lloyds is about the only market for large contracts of this type.

Mrs. Thelma Ray, secretary to A. F. Ashford, President Western Reserve Life, San Angelo, Tex., will be married Sept. 2 to A. J. Jennings at San Angelo.

OUR AGENTS ARE PROUD OF THIS

We have scores of letters from Beneficiaries which say, "Although Mr. Blank carried policies in several companies, yours was the first check to be delivered to us. We are grateful for this very prompt service."



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Founded in 1907

LIFE AGENCY CHANGES

Lynch to Succeed Brackett on Coast

Lloyd J. Lynch has been appointed general agent of the John Hancock Mutual Life in San Francisco, effective Oct. 1. He will succeed Karl L. Brackett, who is resigning from agency development work, but will continue in close association with the San Francisco agency through a separate office in the Russ building, which he will open for the handling of taxes and other specialized services for the life insurance owner, as well as group and supplementary lines.

Mr. Lynch, who has been Minneapolis general agent of the John Hancock since 1928, was born in New Richmond, Wis. Upon his return from war service he attended the insurance school at Carnegie Tech., after which he entered life insurance work.

The territory formerly covered by Mr. Lynch through the Minneapolis agency will be divided under two agencies, one in Minneapolis with William W. Hunter as general agent; the other in St. Paul with John P. Lynch as general agent. Both Mr. Hunter and Mr. Lynch were formerly associated with Lloyd J. Lynch as supervisors in the Minneapolis agency. Mr. Hunter more recently has been Minneapolis general agent of the National Life of Vermont.

Managerial Changes Made by Jefferson Standard

Several managerial changes are made by Jefferson Standard Life. E. S. Reeves, formerly district manager at Lexington, Ky., was appointed manager of the Atlanta, Ga., branch office. He has been with Jefferson Standard for many years, was district manager at a number of points, and is one of the leading producers, having been president of Julian Price Club.

Two branch offices were opened at Lexington, Ky., and Wheeling, W. Va.

W. H. Sebastian, district manager at Ashland, Ky., was appointed manager at Lexington, Ky. He has served the Jefferson Standard 17 years, and has ranked high as a producer.

J. E. Chance, district manager at Clarksburg, W. Va., was appointed manager at Wheeling, W. Va. He also is a veteran in the service, and has been an outstanding producer.

Becomes Sole General Agent

E. F. Carey, Providence general agent for 11 years of the State Mutual Life, will become sole general agent there when the present general agency partnership of Carey & Bass is dissolved Sept. 5.

Mr. Carey, who started with State Mutual in March, 1928, has been in the insurance business since his graduation from Dartmouth. His first work was as cashier in Worcester, Mass., home office city.

After another year as cashier in Milwaukee and three years of organization work in Wisconsin, he returned to Worcester to manage an office there for three years. The next five years, before his connection as Providence general agent, were spent as manager in western Massachusetts.

Mr. Carey was sole general agent in Providence until the present partnership was formed in April, 1935. He will continue in the same quarters in Industrial Trust building.

John Hancock at Miami Beach

M. G. Tuttle, who was formerly with the House agency of the John Hancock Mutual at Chicago, and a year ago became south Florida manager with headquarters at Jacksonville, has appointed F. S. Wilson, formerly supervisor in the House agency, as agent at

Miami Beach. He has been life manager for Adae & Hooper, general insurance agents. Adae & Hooper report through the Tuttle office. Mr. Tuttle reports that he will close the year with about \$1,000,000 of insurance in force. He inherited one agent and now he has seven. He intends to devote more time to organization after completion of his first year, which will be Oct. 1. He expects his personal business will be about \$400,000.

Reno Agency Pushes Group

The Reno agency of the Equitable Society, Chicago, is in the midst of an educational campaign outlining the various forms of group cover. This includes life, accident and health, pensions, salary savings and hospitalization and surgical benefits.

A novel demonstration was given before the entire staff, during which they first heard the coverages described and then listened to a simulated interview between a prospect for group insurance and a salesman. A loud speaker carried the details of the sales interview from a private office to the agency room.

Young General Agent Capitol Life

G. Guy Young has been appointed agency manager for Capitol Life with headquarters in Alturas, Cal. His territory covers northeastern California. He is an experienced insurance salesman having had a record of attainment during the years he was with the California-Western States Life. Associated with him in the agency is his wife, Mrs. Mary P. Young, who is an able insurance solicitor.

Howell Harrison Field Manager

Howell Harrison, prominent in Houston, Tex., as a personal producer and agency supervisor, has been appointed field manager of the Great American Life of San Antonio, for Corpus Christi and the Rio Grande valley, with offices in Corpus Christi.

Richardson Pittsburgh Manager

Robert I. Richardson of the District of Columbia agency of Acacia Mutual Life has been appointed manager at

Pittsburgh. He has been an outstanding Acacia representative since his appointment in 1938, with a production of \$250,000 his first year. He was born in Maryland. He was associated with several leading automobile agencies in sales management work in Washington.

Neisel Made Houston Manager

The Southland Life has appointed Carl Neisel of San Antonio manager of its Houston branch office. He has been a personal producer for seven years, all of that time associated with the present management of the Southland. He will have charge of Harris county. He succeeds Harry Griffiths, resigned.

Guardian Life Changes

J. G. Dunne of Dunne & Kriss, managers for the Guardian Life at Cleveland, has resigned to become manager of the life insurance department of the Paul Brooks Insurance Agency at Toledo. That is also general agents for the Guardian Life. R. K. Kriss will continue as manager of the Guardian Life's Cleveland agency.

Knight Named in Mississippi

J. S. Knight of Jackson, Miss., has been appointed state agent for Mississippi of the life department of the Provident Life & Accident whose headquarters have been established in the Deposit Guaranty Bank building.

Mr. Knight is president of the Jackson Association of Life Underwriters and has been in life insurance work in Mississippi for 10 years.

NEWS BRIEFS

Rodney Arnold, Washington, Ia., has been appointed district manager for Washington county by the Central Life of Iowa.

The V. C. Peterson Co., Marshalltown, Ia., has been appointed district agent of the Mutual Benefit Health & Accident and United Benefit Life. O. P. Wright will handle the insurance department.

Ray Buivid, with the Bankers Life in Milwaukee, has decided to devote all of his time to life insurance and is retiring from professional football. He was an all-American halfback at Marquette University in 1936 and for two seasons played with the Chicago Bears.

LIFE SALES MEETINGS

Pan-American Life Divisional Muster

A large group of delegates from the Pan-American Life's eastern territory gathered in Asheville, N. C., to attend the first of two divisional agency conventions scheduled for this year, under the theme—"There is no substitute for life insurance."

President C. H. Ellis headed the home office officials who attended and delivered addresses, including E. G. Simmons, executive vice-president; E. H. Hezlett, vice-president and general manager; Dr. Marion Souchon, vice-president and medical director; F. T. Limont, superintendent of agents; C. J. Mesman, assistant manager of United States agencies, and H. J. Hughes, field supervisor.

The ranking delegates to the convention, having lead all field men in their respective group in paid-for production during the convention qualification period, were: J. C. Johnson, Pensacola, divisional leader (as divisional leader, he will be invited as guest of honor to the Pan-American Life's second divisional agency convention in St. Louis in September); L. W. Ginter, Chicago; A. H. Himchak, Butler, Pa.; L. F. Kennett, Louisville; R. A. Patrick, Jr., Lakeland, Fla.; A. J. Shropshire, At-

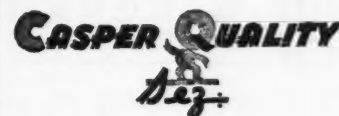
lanta; E. D. Colhoun, Roanoke, Va.; J. B. Bates, Columbia, S. C.; H. H. Fleming, Pensacola; J. B. Redwine, Indianapolis, and E. P. Cook, Birmingham.

Highlights of the meeting included presentations made to the delegates by Mr. Limont and Mr. Mesman of new sales material, featuring particularly the Pan American's Life's new "programmed income" selling plan, as well as new and improved interview plan mailing pieces in color.

West Coast Life to Hold Agents Rally

The convention of the "Treasure Island Club" of West Coast Life will be opened the night of Sept. 8 at an informal dinner in the administration building of the San Francisco Fair, with Harry J. Stewart, vice-president, as toastmaster. Headquarters for the convention—to be held Sept. 8-11—will be the Palace hotel. More than 100 agents qualified to attend.

The theme is "Quality through Successful Living." The convention proper opens Saturday morning. In the afternoon agents will visit the Fair to take part in California's Admission Day celebration and West Coast Life Day. Sunday there will be a sightseeing automobile tour and luncheon. After



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lunch, Arnold Dewar, China manager will tell his experiences. F. D. Creedon, insurance manager B. F. Dillingham Company, Honolulu, general agent West Coast Life in Hawaii, will tell of business in that section. F. W. Keesling, president, will introduce "Graduate Pioneers" and three "old-timers," R. D. Bailey, W. A. Walker and Eph Poulter, who are receiving monthly graduate pioneer income.

Monday morning will be devoted to business, with V. J. Andreatta, president \$400,000 Club, presiding. The afternoon will be open house at the home office and that night there will be a banquet.

Commissioner C. C. Neslen of Utah will be principal speaker, President Keesling toastmaster, and Vice-president Gordon Thomson will present prizes and trophies to agents. The final message will be an invitation to attend the 1940 meeting, delivered by Vice-president Stewart, manager of agencies.

At the opening dinner the convention will be welcomed by L. W. Cutler, exposition president and Pacific Coast vice-president Fidelity & Deposit. President Keesling will extend welcome. First Vice-president Thomson will present the vice-presidents of the field clubs. V. J. Andreatta, president of the Top Club, will respond.

Retirement Plan for Agents Launched

A retirement program for agents of Liberty National Life was announced by President Frank P. Samford at the conclusion of the annual agency conventions at Biloxi, Miss. More than 175 attended.

Retirement age is 65 and the plan is of a contributory nature with the company assuming $\frac{2}{3}$ of the burden. It was



FRANK P. SAMFORD

immediately inaugurated and reserves are now being set up.

Feature of the convention program was the address of Clayton Rand, editor and publisher of the "Dixie Press," Gulfport, Miss. Mr. Rand urged agents to spend more time and thought on selling the wives of prospects, "Wives," he declared, "result in the loss of more sales than any other one factor in present-day insurance selling."

James R. Adams, agency secretary, pointed out that risks have been borne throughout the ages and the theory of insurance is far from a modern development. He showed how the development of life insurance, as well as other forms of protection, was closely related to commercial progress.

Vernero Brown, Ft. Knox, Ky., qualified for the second consecutive year as president of the Torch Club, being the leader in paid for volume. G. W. Hall, Mobile, was named vice-president, having shown the largest increase of insurance in force.

The principal entertainment feature was a trip to New Orleans where the group had dinner at a French restaurant.

Hull, Bragg, Worthington Address London Life Rally

London Life held a convention of the eastern division of its production club in New York.

Among the speakers were James Elton Bragg, manager Guardian Life; William P. Worthington, superintendent of agencies Home Life, and Roger B. Hull, managing director National Association of Life Underwriters.

State Reserve Rally Sept. 1-2

The annual agency convention of the State Reserve Life of Fort Worth is being held Sept. 1-2. F. E. McGonagill, vice-president and superintendent of agencies, and Sam Weatherford, secretary, will be in charge.

Mutual Trust Holds Regional

A group of 60 representatives of Mutual Trust Life's eastern department attended the regional convention held for three days this week, at the Sagamore, Lake George, N. Y. Business sessions were held in the morning, the afternoon and evening being devoted to recreation and entertainment. A golf tournament

was held, and a banquet. President E. A. Olson, A. B. Slattengren, vice-president, and Harry J. Nelson, agency secretary, attended from the home office, and L. R. Lunoe, New York, manager eastern department, and A. E. Richardson, Jr., Boston, New England manager.

Texas Prudential Ordinary Rally

H. Gale Rogers will have charge of the annual convention of the ordinary department of the Texas Prudential at Galveston Sept. 21-23. About 60 members of the Tee Pee Club are expected to attend from Texas, Oklahoma and Missouri. Club members, dressed as Indians, will attend the banquet Sept. 22, when prizes for the year will be presented.

Midwest Life Men on Cruise

W. W. Putney, president; Vernon L. Thompson, sales director; C. C. James and H. J. Danforth, from the home office of the Midwest Life of Nebraska, headed a group of 14 field men that were joined in Chicago by seven other agents, all of whom had won production rewards in the form of a trip on the Great Lakes.

Midland Life Convention

About 40 of the Midland Life's leading producers attended the Leaders Club convention in Kansas City marking its 30th anniversary.

Daniel Boone, president, welcomed producers and discussed briefly the growth and history of the company.

Dr. F. W. Hagney, assistant medical director of the Mutual Benefith Life, died in his 72nd year at St. Barnabas Hospital, Newark, following a short illness. He became associated with the company in a part-time capacity in 1918 when increased work incident to the war and the war service of members of the medical board made additional assistance necessary. Dr. Hagney continued to devote half days to medical board work and the balance of his time to his large practice as physician and obstetrician until 1929. Since then he has devoted his full time to the Mutual Benefit.

Commissioner Caminetti of California has appointed W. P. Wood counsel for the liquidation division in the Los Angeles office, succeeding Eugene P. Fay, recently named chief deputy commissioner.

COAST

C. L. U. Designation Said to Bring Better Earnings

LOS ANGELES—The C. L. U. studies and designation have added, on the average, \$1,000 to the earnings of agents who have the degree or have studied the course, Prof. J. P. Williams, C. L. U., educational advisory director American College, declared before the C. L. U. chapter and Life Managers Club in the opening address of three before Los Angeles life men. He spoke on "The Business of Education."

Impressed U. S. Investigators

A company vice-president who attended the monopoly probe hearings in Washington said the training and education of men under the C. L. U. plan greatly impressed the investigators. Whereas, five years ago C. L. U. was represented by about 37 percent in managerial and supervisory ranks, today it is 67 percent.

President Leon Soper of the Los Angeles Life Underwriters Association urged the managers club, C. L. U. chapter and life underwriters to have service clubs and other organizations show the

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film "Yours Truly, Ed Graham," which deals with life insurance.

President Ted Pierce of the C. L. U. chapter reported membership is 92. Short talks were made by J. N. Russell, Pacific Mutual Life; W. K. Murphy, Northwestern Mutual Life; J. W. Yates, Massachusetts Mutual Life; Walter Gastil, Connecticut General Life, and Floyd Forker, Pacific Mutual. Professor Williams closed his three day visit with a mass meeting in the Pacific Mutual auditorium, talking on "Will the C. L. U. Work Profit You?" Floyd Forker spoke on "A Sales Manager, Looks at C. L. U."; J. R. Mage on "C. L. U. as an Aid in Prestige Building," and Ron Stever on "An Idea for Production."

Use Radio in Consumer Education

LOS ANGELES—The life insurance consumer educational movement inaugurated earlier in the year and which has been carried on throughout the summer in schools, parent-teacher bodies, and other organizations, will Sept. 1 be broadcast throughout the state and the nation. On that date five radio broadcast periods will be inaugurated in San Francisco, Oakland and Los Angeles. In addition to this feature mothers clubs, churches, colleges, Y. M. C. A.'s and utilities corporations are using the material in their study classes.

Contest for Camera Fans

Camera fans have an opportunity of winning \$100 in prizes for photographs dramatizing the uses and benefits of life insurance. The contest, which ends Sept. 14, is being conducted by the Life Underwriters Golden Jubilee Anniversary Convention Committee, 2114 Railway Exchange building, St. Louis. Acceptable photos will be exhibited at the golden anniversary convention of the National Association of Life Underwriters in St. Louis. Judges of the contest are: Ogden Brown, editor "Life Underwriters Digest"; H. R. Colbert,

editor "Life Insurance Selling"; Adam Rosenthal, past president St. Louis association; T. B. Sherman, picture editor St. Louis "Post-Dispatch," and Percy Vogt, art director St. Louis "Globe-Democrat."

Continental Assurance, Chicago—For the first six months the new policy average was about \$2,700, the highest in its history for a similar period. The average new policy during the first half of the year was about 7 percent more than during the corresponding period of

1938, and 28.9 percent larger than during the first half of 1937.

F. O. White, Toledo, O., general agent for 20 years, of the Massachusetts Mutual Life, was honored at a reception and dinner at Toledo by the officials and agents. General agents from Michigan, Indiana and Ohio attended. Charles Hall, superintendent of agencies, and Joseph C. Behan, vice-president, attended from the home office.

Read **The Industrial Salesman**, \$1.25 a year. 420 E. Fourth Street, Cincinnati.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Continental Uses New Annuity Table

The Continental Assurance of Chicago has adopted the new standard annuity table for all single premium immediate annuities issued after Sept. 1. Elective annuity cash values remain unchanged but the income schedule is revised to bring it in line with the new annuity basis. Incomes produced by \$1,000 cash value are shown herewith:

Monthly life income per \$1,000 cash value		Life Instl. Ref.	
Attained Age	Female	Annuity	Annuity
45	50	\$4.45	\$4.32
46	51	4.53	4.38
47	52	4.62	4.45
48	53	4.71	4.52
49	54	4.81	4.59
50	55	4.91	4.67
51	56	5.01	4.75
52	57	5.12	4.83
53	58	5.24	4.92
54	59	5.37	5.01
55	60	5.50	5.10
56	61	5.63	5.20
57	62	5.78	5.30
58	63	5.93	5.40
59	64	6.09	5.51
60	65	6.26	5.63
61	66	6.44	5.75
62	67	6.63	5.88
63	68	6.83	6.01
64	69	7.05	6.15
65	70	7.27	6.29
66	..	7.51	6.44
67	..	7.76	6.60
68	..	8.03	6.76
69	..	8.32	6.94
70	..	8.62	7.12

Combination Life, A. & H. Form Issued

Illinois Bankers Life announced at the convention of its Leaders Club in Chicago this week a new policy, the "Golden C" form, which is a combination of life and accident and health insurance. It provides a flexible arrangement by which the policy can be tailored made to the individual, with the form and amount of life insurance desired, any amount of the accident and health indemnity up to the company's limits, and with the desired amount of principal sum and monthly benefit. It is written on either medical or non-medical basis. The combination is designed to indemnify for premature death or disability, to provide cash in emergency and to furnish old age income.

Immediate settlement for specific injuries is offered and also medical, hospital and surgical benefits and emergency aid.

Allow 31 Days of Grace

A grace period of 31 days is permitted in connection with the accident and health portion as well as the life insurance, however being subject to deduction for due and unpaid premium on the accident and health portion from any claim under that provision. Disability, waiver and double indemnity may be added to the life portion except that the waiver will not be issued when the term or "Arrow of Gold" life policies are applied for. There is no policy fee

on the accident and health portion. Additional principal sum may be added to the accident and health provision at extra premium.

Illinois Bankers will arrange this contract on the monthly payment plan by adding a flat 15 cent service charge and with \$10 monthly minimum premium.

The due date is always on the first of the month for all contracts as that is a rule in connection with the accident and health insurance which also is applied to the life portion.

Is Issued on Four Forms

Four special forms of commercial combination accident and health policies are provided, which can be combined with any regular life form. The forms used are respectively similar to the business men's protection accident and health contract, the "popular" and "teachers" special guaranteed protection policies, the "definite" and imperial" guaranteed protection forms and the

"ultimate" and "paramount" guaranteed protection issued by Illinois Bankers. Two forms of indemnity are available under each policy form, regular and special, the regular not paying for the first seven days of illness disability, but covering accident disability from commencement, and the special form covering illness disability from the first call of physician and accident disability from commencement, the additional principal sum being \$2 annually per \$1,000 of principal sum for classes AA and A.

Illustrative Premium Rates

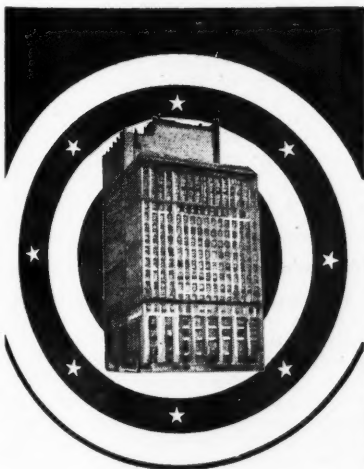
In series AA forms for male risks only rated AA-A, with \$1,000 principal sum and \$100 monthly indemnity, annual premium ages 18-50 is \$31.40; and ages 51-55, \$38, for the regular policy, and \$38 and \$46, respectively, for the special policy.

The comparable premium rates for other forms are: AAA form, males only rated AA-A, regular policy, ages 18-50, \$36; special, \$45; AB form, class AA-A, males only, ages 18-50, regular \$44.80, special \$54.80; form AA for business women only, regular form, ages 18-40, \$40, 41-45, \$49.60; special, \$50 and \$62, respectively. These premiums are added to the life premiums to give the total premium payment.

Continental Assurance Meeting

Officers of the General Agents & Managers Association of the Continental Assurance of Chicago, were reelected at the annual association meeting held at Lake Wawasee, Ind. The meeting was held following the two-day convention and sales congress of the "1-2-0" and "2-5-0" high producers clubs. E. L. Grant, former director and former manager of the life department, Chicago branch office, who retired recently was elected to an honorary life membership.

Officers are: President, Clarence Thiele, Security General Agency, Milwaukee; R. M. Vetter, Madison, Wis.; secretary-treasurer, Allen Reager, Louis-



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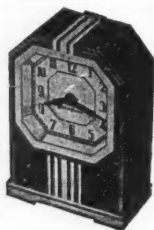
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ville, Ky.; directors, Ben Tolmich, De-
troit; W. E. Lord, Cincinnati; M. L.
Killian, Canton, O.; and Frank Snell,

Grand Rapids, Mich. Mr. Snell was
named to the board to fill Mr. Grant's
vacancy.

NEWS OF LIFE ASSOCIATIONS

Three Basic Qualifications for Successful Producer

CEDAR RAPIDS, IA.—Henry M. Files of Syracuse, N. Y., formerly of Cedar Rapids, told the Cedar Rapids Life Underwriters Association that as general agent of the Northwestern Mutual in Syracuse, he had been studying men on his force to determine what makes them successful. There are three basic qualifications, he has concluded: First and most important is energy—a burning desire to reach a certain goal; second is imagination, or the ability of the agent to put himself in the other fellow's place; third is personality. The last, Mr. Files declared, means the difference between the men who sell \$500,000 and \$100,000 of insurance. The man with personality is the man with whom people like to do business. To some extent, Mr. Files declared, personality can be developed by doing things for the community and for others in a generous way.

Summer Entertainment Adds to Fort Worth Membership

The Fort Worth Association of Life Underwriters has had a most successful summer season and has increased its membership to the largest on record through its program of devoting July and August to entertainment features.

In July the program was staged by Gene Arnold of radio and stage fame. That meeting had the largest attendance in any several years. Then the other day the August program consisted of a luncheon in the Den of the Hotel Texas, dine and dance spot. That evening was designated as Texas underwriters night at Casa Manana.

The luncheon was attended by more than 150 insurance people and their wives, including Robert M. White, president Texas state association, and Campbell Green of Dallas, secretary of the state association. The program was put on by the cast of the Casa Manana. A block of tickets was set aside for the agents and their wives at the show that evening. During the show a bouquet of roses was presented to Miss Wanda Ticknor, the "Texas sweetheart," by H. D. Mouzon, Jr., president Fort Worth association.

Important Change in Pittsburgh

PITTSBURGH—Ross S. Edgar, who has become executive secretary of the Pittsburgh Life Underwriters Association, has been connected with the Furey agency of Berkshire Life in Pittsburgh since 1904. He served as a junior clerk and then in various other capacities, including that of agency cashier and office manager, before entering the selling end 10 years ago. He was born in Pittsburgh in 1868 and completed special courses at the University of Pittsburgh and Duquesne University. He is a trustee of the Masonic Blue Lodge and is secretary of the Castle Shannon Golf Club.

E. M. Aiken, who has been the executive secretary since 1935, has joined the Steacy E. Webster agency of Provident Mutual Life. He graduated from Penn State College in 1921, was connected with the Bell Telephone Company two years and was engaged in the contracting business 11 years before going with the Pittsburgh association. During Mr. Aiken's administration the association celebrated its 50th anniversary in 1936. The association reached the all-time record of membership with 1,195 and the agency committee reached the all-time high of 57 members. Mr. Aiken has been indefatigable in his routine duties and has cooperated with association officers in a number of promotional enterprises, with the result that the Pitts-

burgh unit has become one of the leading groups in the business.

Jackson, Miss.—Harry T. Wright, associate manager Woody agency Equitable Society, Chicago, will be one of the speakers at the state sales congress to be held here Sept. 21 under the auspices of the Mississippi association. He will talk on "Going Places in Life Insurance."

H. V. Wade, vice-president the American United Life, Indianapolis, and Sam Hay, Jr., Birmingham, superintendent of agents Protective Life, also will speak.

Lincoln, Neb.—The first fall meeting will be held Sept. 18.

Atlanta.—The annual outing was held at the Marietta Golf Club with 150 in attendance.

Lubbock, Tex.—S. A. Henry has been elected president; R. B. Hills, Aetna Life, secretary; Murray Hargraves, Ralls, Great National Life, vice-president; Gracie Bownds, national committeeman; W. W. Carroll, state committeeman.

Waco, Tex.—Newly elected officers are: President, E. L. Trice, Travelers; vice-president, S. G. Elliott, Southwestern Life; secretary, J. C. Sloan, Jefferson Standard Life; national committeeman, J. K. Moore, Reliance Life.

Tyler-East Texas.—New officers are: President, C. G. Smith; secretary, Miss Eva Lancaster, Marshall; national committeeman, A. M. Ramsour; state committeeman, R. E. Harris.

Wichita, Kan.—The opening fall meeting Sept. 9 is to be a "homecoming" affair. Vice-president R. C. Coffman, Prudential, will preside, due to the absence of President E. C. Moore, New York Life, who is in New York attending the "Top Club" meeting. Delegates to the national convention are F. F. Frisbie, Prudential, national councillor; John Carter, Metropolitan, and Secretary Max Staley, Travelers.

Des Moines.—Cy Frailey of Chicago, editor of Dartnell publications, will speak at the first fall meeting Sept. 8.

Indianapolis.—The first autumn meeting will be held Sept. 22. G. Gilson Terberry of the New York City agency of the Mutual Benefit Life, who is on the program of the National association in St. Louis, will speak.

Green Bay, Wis.—At an outing at Pampersin Park, President Walter Wetzel submitted the proposal from the National association relative to showing the "Ed Graham" sound picture. Frank Neu, chairman of the Wisconsin association's educational committee, outlined plans for establishing a state-wide program of vocational instruction.

Memphis, Tenn.—The annual picnic and outing was held at Chickasaw Golf Club, with more than 250 present. Commissioner McCormack was a guest.

Industrial People Subject of Probe by Committee

(CONTINUED FROM PAGE 11)

such a possibility. All agents are qualified to give proper advice and to give it free, he emphasized.

Asked by O'Connell if he would oppose the creation of an outside class or group to give insurance advice, Mr. Lincoln said his attitude would depend on who did it but that he felt the job is handled satisfactorily by the insurance business. He pointed out that the Metropolitan has a bureau of surrenders and changes with 300 employees, who are not dependent on sales and who handled 1,987,884 policies last year in which changes were made.

Cost of Nurse Service

The questioning on the Metropolitan's visiting nurse service got off into such byways as whether it is the "king's largesse," as Vice-chairman Casey put it, whether policyholders can buy insurance more cheaply by foregoing eligibility to it, how much it costs each policyholder per year. The latter worked out to about 16 cents per year. Mr. Lincoln stressed the entire absence of

any complaint from any policyholder about the company's nursing service.

Questioned on agent turnover, Mr. Lincoln said the figure has been showing steady improvement in the last decade, being now at 7 percent for the year to date. It was 10 percent for 1938 as against 30 percent 10 years ago. On the cost of training agents, however, no such definite figures were available and Mr. Lincoln said that estimates necessarily enter in so largely that no accurate figure is possible.

Asked about Metropolitan's 10 percent discount to those who pay their industrial payments at company offices for a full year, Mr. Lincoln said there has been a steady increase in the percentage of such business which is currently between 28 and 29 percent.

M. E. Davis, assistant actuary Metropolitan, testified on some of the actuarial tables introduced into the record. In explaining one table he took issue with a statement on revivals made by Dr. D. H. Davenport, SEC statistical expert, at a previous hearing, pointing out that Dr. Davenport should have subtracted revivals from lapses rather than adding them to issues in order to obtain accurate ratios.

SIEGEL ON STAND

Questioning of Morris Siegel took all of Tuesday morning and part of the afternoon. In view of the conflicting accounts of his organization's method of computing fees, there was considerable interest among insurance men in hearing his utterances on the witness stand. He testified that the Policyholders Advisory Council, in which he and his brothers are the sole partners, took in \$98,000 in 1938. It paid out roughly \$60,000 for radio time; \$18,000 for payroll; \$7,500 in drawing accounts to the Siegel Brothers; \$2,500 miscellaneous; and \$10,000 net profit. The office has a staff of 52 normally, a number of them former insurance agents.

Charges are based on amount of premium, if industrial, and face amount, if ordinary. On ordinary there is a minimum charge of \$10 for policies up to \$2,000 and \$5 a \$1,000 after that. On industrial, the charge is \$2 each for whole life policies regardless of amount of premium; on other types, 15 times the weekly premium, plus a flat loading charge of \$3 per case. The \$1 registration fee is waived if the office's services are retained.

Illustration of the Fee

For example, a family paying \$1.50 a week on industrial policies has two or these on the whole life plan for a total of 50 cents a week. The fee for the two is \$4. The others, on which premiums are \$1, call for a \$15 fee. These two figures, plus the flat \$3 per case loading, add up to \$22. He said the average fee is \$20 to \$22. The minimum fee is \$7.50.

Mr. Siegel said nearly all his business is industrial; that the average client earns about \$30 a week, pays about \$10.90 a week in industrial premiums. He said that from Jan. 1 to Aug. 15 his office had returned \$692,065 to policyholders and reduced their annual premium outlay by \$138,029; that in 1938 it returned \$847,000 to policyholders and cut annual premiums by \$145,000.

Charging that industrial insurance is "maldistributed," Mr. Siegel said the major portion of premiums and of insurance in force is on members of the family other than the breadwinner; that in about one family in five there is a policy where insurance is carried on some distant relative or other person who once resided with the family and whose insurance is still kept up. He characterized these situations as possibly speculative.

Considerable testimony dealt with the Fortune family's situation, admitted by the witness to be an extreme case where a family of four was paying \$926 a year in premiums, mainly industrial, on 44

(CONTINUED ON PAGE 22)

LEGAL RESERVE FRATERALS

Hackett President of Gleaner Life

DETROIT—Henry H. Hackett, of Kankakee, Ill., has been appointed as national president of the Gleaner Life, succeeding H. P. Orr, who was killed in an automobile accident recently. Mr. Hackett has been a director. His place on the board was taken by J. L. Strachen, Muir, Mich., who has been a member of the finance committee.

Mr. Hackett, it is anticipated, will be reelected president at the biennial con-



HENRY H. HACKETT

vention to be held at Jackson, Mich., in November.

He has been connected with Gleaner Life as a field representative in Illinois for 19 years. Mr. Hackett was born at Nashville, Tenn., Jan. 13, 1895. His family moved to Pueblo, Colo., and later he moved to Illinois, living at Melvin, Ill., a small town about 50 miles from Kankakee, and working on a farm nearby. He started with Gleaner Life as an agent and has been Illinois manager for nine years. He had a splendid record as a personal producer, and as manager has built an efficient, successful state organization.

In April, 1936, he was appointed a member of the supreme council. He started as an agent, Sept. 26, 1921. He organized the Illinois Gleaner Memorial Club, a movement designed to devise ways and means of raising money for the Gleaner Memorial Home at Alma, Mich. At the last biennial meeting held in Kankakee, in December, 1937, Mr. Hackett was host to a very large gathering.

Mrs. Hackett is active in fraternal work. When her husband was elected president she was busily engaged in assisting Miss Ruth Rice, juvenile director, with the day camps which were held in Illinois during the week.

The vacancy in the Illinois state management probably will not be filled until the time of the biennial convention. Mr. Hackett went to Detroit this week, leaving his family in Kankakee, but probably later will move his home to Detroit.

Society's First Leader Dies

Mrs. Elizabeth Rodgers, founder and first high chief ranger of the Women's Catholic Order of Foresters, died Sun-

day in Milwaukee at the home of her daughter, Mrs. Elizabeth McLogan, with whom she had lived for six years. Mrs. Rodgers celebrated her 94th birthday with her children last Saturday. She lived in Chicago for more than 80 years, going to Milwaukee in 1933. Funeral services, which were held Wednesday morning in St. Agnes Catholic Church, Chicago, with a high requiem mass, were attended by the society's officials, headed by Mrs. Anna R. Downs, high chief ranger. Mrs. Rodgers held the high post from 1891, the date of organization, to 1908, when she retired.

Program for Detroit Rally of Alliance Announced

The tentative program for the Detroit quadrennial convention of the Polish National Alliance, Sept. 10-16, was announced by Arthur A. Koscinski, president of the pre-convention committee at Detroit.

The convention will open unofficially Sunday morning, Sept. 10, with church services and sermon by Right Rev. Stephen T. Woznicki, auxiliary bishop Detroit Roman Catholic archdiocese. In the afternoon delegates will gather at the Book-Cadillac Hotel, convention headquarters. There will be a number of addresses, including those by Dean F. X. Swietlik of Marquette University law school, John Romaskiewicz, president Polish National Alliance, and Mayor R. C. Reading of Detroit. Representatives of fraternal and other organizations will be on the program. The banquet will be held Sunday night at the hotel, the principal speaker to be M. S. Szymczak, member of the board of governors of the Federal Reserve Board, Washington.

May Adopt New Constitution

The first official convention session will start Monday morning. There is a proposal to be considered at Detroit to adopt a new constitution.

Detroit has about 300,000 Polish population, many of whom will contribute to welcoming the visitors. Social activities include visits to places of interest in Detroit and environs.

There are 11 sub-committees of the pre-convention committee, the committee chairmen being: Invitations, F. X. Swietlik, censor of the alliance; executive, Mr. Koscinski; official convention book, John Rempala; convention hall, Mr. Koscinski; publicity, Leon Budziak; ladies, Marie Matuszewski; reception, Bronislaw Trojnariski; banquet, J. P. Wolff; information, Walter Kozdroj; transportation, Stanley Sadowski, and decorations, F. A. Balcer.

W. O. W., Neb., Constitution Being Put in Effect

OMAHA, NEB.—Amendments to the constitution and bylaws adopted at the recent national convention are being promulgated by officers of the Woodmen of the World of this city through the official publication. Among the changes are: Admission to any home, hospital or sanitarium operated by the society shall be based solely on the benevolence of the society; providing cash surrender values in certificates instead of proportionate share of apportionable funds; providing for adjustment or return of payments where age has been misstated in application; providing that no member shall be entitled to any form of disability benefit on account of any impairment existing at time of delivery of policy.

Other changes require health certificate for readmission when member has been suspended for three months; elimination of fees for changes of beneficiary, duplicate certificates, transfer or withdrawal; provide that payment of benefits may be deferred or made in installments at request of member; provide

that acceptance or retention by the society of payments made after an attempt again to become a member shall not constitute a waiver of the provisions of the constitution, laws and bylaws until the secretary shall have received knowledge that the suspended person was not in good health at the time of payment, and provide that a member on automatic monthly loan instalment shall become suspended without notice at expiration of loan period.

Fraternal Activities Are Set Up as Yardstick

ATLANTA—At the request of Commissioner Harrison for a ruling on fraternal orders whose primary object is selling insurance, Attorney-General Arnall ruled that they must place \$100,000 deposit with the commissioner as required by law. The commissioner is charged with the duty of investigating applications of fraternal orders to determine whether they are primarily interested in writing insurance, or in fraternal work.

"If you find that the operation is in fact merely an insurance operation and the cloak of fraternity is spread around and about it merely as a disguise," the attorney-general ruled, "and that the principal purpose of the operation is to engage in the insurance business with the fraternity being only incidental, then you are unauthorized to issue a permit to the applicant as a fraternal benefit society."

All fraternal groups whose fraternal work is found incidental to their insurance writing must abide by all laws of Georgia regulating life insurance companies, the opinion held.

Nebraska Congress Meets Oct. 12

OMAHA—Approximately 1,200 persons from 18 affiliated organizations are expected to attend the annual session of the Nebraska Fraternal Congress here Oct. 12. A. C. Watkins of this city is president.

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

Founded nearly half a century ago, its assets have mounted to over \$128,000,000.

Its investments are largely in Government, State and Municipal Bonds.

It has paid to beneficiaries over \$258,000,000, and to living members over \$47,000,000.

For each \$100 of reserve and current liability it has assets on hand of the value of \$123.14.

Through prosperity and depression, war and epidemic, its financial strength has paralleled its record of insurance and fraternal service.

It maintains at San Antonio, Texas, an endowed free hospital for members who suffer with tuberculosis. This institution is on the accredited list of the American College of Surgeons.

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INDUSTRIAL

Great American's Industrial Advances

Executive Vice-president R. H. Brand of the Great American Life of San Antonio, in charge of the industrial department, reports an excellent record of expansion and development since Jan. 1. Premium income and new business have increased greatly. M. Burke of L. S. Tabor's staff in the San Antonio district has made a record for the first seven months. He has maintained in excess of 100 percent collections for the year to date. The company says his achievement is due to three factors, viz., careful planning, systematic hard work and intelligent, energetic selling.

S. H. Thomas of the Gulf Coast district during his 27 weeks of service with the company has maintained a persistency of 94.5 percent. His average lapse has been approximately 7 cents a week. J. M. Kemper has been appointed personnel manager by the industrial division. He is a graduate of the University of Maryland and the University of Michigan, in the latter receiving his master's degree in actuarial mathematics.

Texas Companies to Comply with New Industrial Ruling

DALLAS—The American National of Galveston and other companies writing industrial life insurance in Texas have announced that they will comply with the decision of the Texas supreme court and the ruling of the Texas department that industrial companies must henceforth include third-year surrender and loan values and automatic extended insurance in their industrial policies.

The American National announced that it will follow this plan in all of the 32 states in which it now is writing industrial insurance.

American National Changes

The American National of Galveston has appointed A. T. Krauss, formerly assistant superintendent at Fort Worth, as superintendent at Tyler, Tex. J. D. Little has been named agency organizer at Waco, B. D. Burke at Harlingen, G. L. Darby at Beaumont and J. V. Freeman at Cleburne.

C. L. U.

Omaha Chapter Elects Officers

OMAHA—New officers of the Omaha chapter of C. L. U. elected at the annual meeting are: President, James Moss, Aetna Life; vice-president, Edwin Gould, Northwestern Mutual Life, and secretary, Addison Wilson, Bankers Life of Des Moines.

Appoint Chicago Committees

B. H. Groves, president Chicago C. L. U. chapter, named committees, the chairmen being: Attendance, G. D. Wheatley, New England Mutual; educational, L. R. Schauffler, State Mutual;

fall party, H. G. Walter, assistant general agent Penn Mutual; membership, R. D. Hinkle, assistant agency manager Equitable Society; program, C. E. Smith, Northwestern Mutual; publicity, Agnes C. Schuette, New York Life; reception, H. R. Schultz, Mutual Life of New York.

McCoy Elected Detroit President

W. H. McCoy, New England Mutual Life, was elected president of the Detroit C. L. U. chapter at the annual meeting. He succeeds E. P. Balkema, manager Northwestern Mutual Life, who is now president of the Associated Life General Agents & Managers. Roy Stringer, State Mutual, becomes vice-president, succeeding Mr. McCoy, and Ralph Harrington, Metropolitan Life, secretary-treasurer.

RECORDS

Old Republic Credit Life—An increase of 22 percent in business written for the first seven months of this year is reported. Insurance in force now amounts to about \$36,000,000. There has been an increase in surplus of \$30,000 since the first of the year.

Colonial Life—First seven months show a greater increase in insurance in force than for the entire year 1938. Insurance in force June 1 had advanced from \$114,000,000 to \$115,000,000, which is supported by standard collections.

Manufacturers Life—Reports increase of \$9,319,491 in business in force to a new high of \$582,231,926 for the first six months. The increase compares with \$8,217,178 last year. New business issued (including deferred annuities) was \$27,882,995 against \$28,228,492. Premium income rose from \$9,972,899 to \$10,200,257; consideration for annuities from \$1,668,056 to \$2,478,223; receipts from \$16,223,378 to \$18,151,834; payments to policyholders and beneficiaries from \$7,411,466 to \$8,196,456 and ledger assets from \$155,810,398 to \$168,332,696.

Industrial People Subject to Probe by Committee

(CONTINUED FROM PAGE 20)

policies. The father was a longshoreman earning about \$35 a week. Mr. Siegel also told of the readjustment of other cases which he said were more nearly typical. He said in the aggregate about one-eighth of the policies handled by his office remain as they are, one-eighth are cash surrendered, while the remainder are changed, for example from industrial to ordinary or from endowment to whole life.

He said that where industrial is converted to ordinary it is done on the monthly basis, as the insured still need the agent's collection service. Conversion to annual, semi-annual or even quarterly results in too uneven a distribution of the premium load, he said. He said he believed the companies could render the readjustment service that his office does but that they don't do it. As for the insurance department's advice, he said he had tested the New York department by sending two "not too in-

volved" cases to it for advice but that while the policyholders received general information they got nothing specific.

Questioned by O'Connell about the cases where premiums were eliminated, Mr. Siegel said he had done this by use of extended term but only where the term would carry the policy beyond the time when it would have matured as an endowment.

As to the attitude of the companies toward his work, Mr. Siegel told of refusals to answer letters from him; also of efforts of the Massachusetts Life Underwriters Association and the Boston Better Business Bureau to keep him from broadcasting over Boston stations. He said three Boston stations had barred him pending determination of the Federal Communications Commission's attitude but that he is now back on the air in Boston, though forced to omit the names of companies. He also touched on the Metropolitan's libel suits against two stations over which he broadcasts in New York.

A novel touch was the playing for the subcommittee of a recording of a Siegel broadcast. It was one of his milder effusions, dealing with general principles.

CASEY AS CHAIRMAN

In the absence of the subcommittee chairman, G. S. Ferguson of the Federal Trade Commission, the hearings have been run by Vice-chairman Casey, one of the youngest members of the House, who looks like Robert Taylor of the movies and has as good an enunciation and stage presence. However, insurance men shudder at his new deal and Townsendite leanings, but they have to admire the snappy way he runs off the hearings, getting them under way on time and holding down interruptions to a minimum.

Hearings have been going considerably faster since the committee turned the job over to the subcommittee. Absence of TNEC Chairman O'Mahoney, Isador Lubin of the Labor Department, Thurman Arnold of the Justice Department, and Jerome Frank and Leon Henderson of the SEC has eliminated much of the extra questioning which was piled on top of the regular examination.

Quite a good sized life insurance gallery was on hand, mostly from the Metropolitan and Prudential. From the Metropolitan there were in addition to those already mentioned as witnesses, Chairman F. H. Ecker, Vice-presidents C. G. Taylor, Jr., J. L. Madden, Frank Smith, L. I. Dublin, and D. B. Armstrong; General Counsel H. C. Bates; and Assistant Actuary James Herman.

In addition to Vice-president H. B. Sutphen, who testified Monday, the Prudential delegation included President Franklin D'Olier, Carroll Shanks, vice-president and general solicitor; F. B. Gerhard, second vice-president and associate actuary; and Sylvester Smith, associate general solicitor.

C. F. Williams, president, and W. C. Safford, vice-president, Western & Southern, were on hand, Mr. Williams being scheduled to testify later in the week. Col. C. B. Robbins represented the American Life Convention and John Bloys the Life Presidents Association. James A. Beha, former New York insurance superintendent and now a New

(CONTINUED ON NEXT PAGE)

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Sales Ideas and Suggestions

Sees New Era for Agent in Social Security Changes

Levi B. Rymph, assistant general agent for Aetna Life, Wichita, writes as follows:

"I have read with keen interest your article 'How Can Life Men Meet Social Security Program' in the Aug. 25 edition of THE NATIONAL UNDERWRITER. Though the tone of the article is somewhat alarming, yet the approach impressed me as being highly professional and very fair both to the institution of life insurance and the social security act.

"After reading this splendid article I closeted myself to do some serious thinking on the effects of this act upon our business and how we, as underwriters, may utilize these provisions to our own advantage.

"I am enclosing a summarization of the situation as I view it, and I am sending it to you hoping it may be of some value to underwriters who may be momentarily alarmed by the apparent competitive threat made by the government.

Sees 25 Billion Added Cover

"The government, through the recent revision of the social security act, increased the insurance in force by not less than 25 billion dollars, and confronts the institution of life insurance with the most serious competitive problem in its history. To read this alarming note at a time when every underwriter is finding the writing of business already sufficiently difficult, particularly at this season, throws a chill into all of us.

"Of two things I now am certain: "First,—the ill-prepared carrier of the rate book is going to be not only handicapped by this act, but even perhaps lost to the business.

"Second,—the well informed, intelligent underwriter will find in this same apparent governmental competition the open door to much business heretofore closed to him.

"I wish to summarize those fields which appear to me to be definitely opened, compared to the situation with those same individuals prior to the revision of this act.

Educational Endowments

"Educational endowments. Perhaps this will call to your mind the many cases where ambitious fathers, now earning \$125 to \$200, really wanted to provide for a son's education, but it was, of course, first necessary to provide insurance to guarantee bread and butter for the family, and the college fund was thereby omitted from the program. Now, under the social security program, the minimum necessities for the family are provided by the government program, and now that father is a prospect for an educational plan for his children.

"Retirement income 10 years certain is made more attractive. Have you not found numerous instances where the husband objected to the retirement plan, and rightly so, because 'My wife may live' many years beyond the 10-year certain. True enough other options are available, but now the social security act has made the assurance of a life income to the wife, and the underwriter has a new open door to offer the prospect a substantial retirement income plan, so that the man and wife may live in comfort, yet with the assurance that should the husband die shortly after the 10-year certain period expires, the wife continues to get an income throughout the remainder of her life.

"The use of a definite number of installments rather than the life income plan offers greater attractions now.

Heretofore, we dared not advise a man to save with the specific plan of placing his fund at 60 or 65 in installments over 10, 15 or 20 years for fear he might outlive the income. Now, we can offer much greater retirement benefits during the years when both the husband and wife are physically and mentally able to enjoy the increased income, yet with the assurance of the government that after exhausting the insurance proceeds both husband and wife will have a minimum income to care for their basic necessities to the end of life. Many underwriters have already capitalized on the original social security act by showing men how they may retire at 55 or 60 by placing an endowment under the installment options to provide income until age 65 when the government pension begins.

"Mortgage insurance. The government has not devised a plan whereby if a man dies, the home will be left free and clear for the widow. Surely, now that the basic necessities are to be made certain for the wife and babies, fathers are going to be more interested in, and more able to adopt a mortgage cancellation plan in their program.

Empty Period for Wife

"The wife must have income between the time the youngest child reaches age 18 and the time she reaches age 65. This is a definite period, and very simple to arrange an insurance program. A supplementary income is provided by the interest on the life insurance proceeds until the youngest child reaches age 18, then the proceeds of the insurance are placed under the installment option in the policy for the definite number of months remaining between the youngest child's 18th birthday and the mother's 65th birthday.

"Then there is that other 50 million people not protected by social security. Physicians, ministers, teachers, lawyers, farmers and merchants and a multitude of others, who previously have been content to leave their families inadequately protected, but who now will catch the vision of an adequate insurance program as they see their neighbors' families provided for under the government plan. This psychological reaction was very effective following the war as even life underwriters were brought to realize that \$10,000 is not too much insurance and that payment over a 20-year period was a fine thing for dependent survivors.

Personal Savings

"Incomes formerly consumed by family dependents will in the future be available for personal savings. How many times have you almost closed a sale, when the prospect pulled from his objections this argument, 'I am having to support my aged father, a small brother, or a dependent member of my family.' Surely the millions of dollars which will in the future be paid to the otherwise dependent aged and orphaned, will release millions of dollars from salaries for their own personal benefit. You and I as underwriters will have an opportunity to recruit those dollars into insurance savings.

"I believe, that just as a generation ago we were content with neither telephones, radios or automobiles, but today feel them to be necessities,—so will the citizens of America in the years ahead be brought to realize that a complete program of insurance is not a luxury, but a necessity, and the intelligent life underwriter, well trained to do a professional job, is now entering a new and unprecedented era of success which in

no small sense will be due to a thorough understanding and utilization of the provisions embodied in the revised social security act. It is my personal conviction that the government and the institution of life insurance will not compete, but rather cooperate and supplement each other in the fulfillment of national security."

Launch 17-Week Course

Vice-president G. M. Lovelace of New York Life will be the speaker Oct. 3 at the first lecture in the 17 weeks' educational course of the Life Underwriters Association of New York. Mr. Lovelace's topic is "The Job of Selling."

The following week L. N. Whitelaw, assistant supervisor of Prudential, will discuss "Fundamentals." The Oct. 17 speaker will be G. P. Shoemaker, New York general agent Provident Mutual, whose topic is "Needs and Life Situations."

Industrial People Subject of Probe by Committee

(CONT'D FROM PRECEDING PAGE)

York attorney, was among the observers.

WEDNESDAY SESSION

Lincoln Is Questioned as to Pressure Exerted on Agents by Managers

Most striking feature of Wednesday's questioning was Gesell's reading of excerpts of letters from Metropolitan agents to Mr. Lincoln in which they complained in sometimes bitter terms of the pressure put on them by managers and assistant managers. Prolonged agency meetings, abusive language by managers and assistants were the principal complaints.

Mr. Lincoln pointed out that these letters were in answer to a general letter he sent out in the fall of 1937, that there were only 271 replies from the 20,000 agents; that every effort had been made to correct such conditions where they existed and that the company is absolutely opposed to managerial pressure. Asked whether the men might fear to write him because of his position, Mr. Lincoln said he thought they had sufficient confidence in his integrity to put their faith in him and that he believed he was getting the true picture from them. He said that conditions complained of had been reduced and he doubted if there were any appreciable amount going on now.

Holgar Johnson on Hand

Holgar J. Johnson, general agent Penn Mutual, Pittsburgh, president National Association of Life Underwriters, was on hand for Wednesday's session.

Presence of "Life" magazine's Washington photographer indicates likelihood that the hearing will be publicized in that magazine.

Mr. Lincoln said the company is opposed to sales contests, feeling that they result in business which does not persist and frequently fails to fit buyers' needs. As to agents contracts tempting them to use advance premiums to pay excess arrears, Mr. Lincoln said he doubted this is true to any extent now, although there may have been somewhat more under the old contracts but that all but 73 of all the agents are under the new contract. He disagreed with an excerpt quoted by Gesell from the New York legislative report on industrial to the effect that pressure on agents results in departures from professional ethics and pressure by agents on policyholders

leads to loading families with insurance.

Questioned on industrial endowments being banned in New York, Mr. Lincoln said that many racial groups refuse to buy anything but endowments. He said a survey by the New York department revealed that 97 percent of the people want endowment policies even though they know whole life would cost less.

Taylor Testifies Briefly

C. G. Taylor, Jr., second vice-president of Metropolitan, testified briefly on the passage of the law in New York, stating that no one spoke for the bill at hearings and that it seemed to have arisen from the then prevailing hue and cry about industrial. He said Metropolitan had opposed the measure, which had no support from the insurance department.

Assistant Actuary Davis of Metropolitan testified that a recent analysis of industrial business carried by Metropolitan policyholders in all companies showed that less than 3 percent of income goes for weekly premium insurance, even in the group earning less than \$30 a week.

F. B. Gerhard, second vice-president and associate actuary Prudential, said the New York prohibition against industrial endowments had not been so detrimental as anticipated, although like Metropolitan, Prudential dropped sales of endowments country-wide when the New York ban became effective Jan. 1, 1939.

Says 10% Credit Is Fair

Since agents are paid from 12 to 15 percent for collecting premiums, M. H. Cardozo, SEC attorney who substituted for Gesell in questioning Mr. Gerhard, wanted to know why policyholders paying premiums direct to company officers did not receive more than a 10 percent credit. The witness explained that clerical work in connection with these accounts, which would ordinarily be handled by agents, costs at least 2 percent.

W. M. Van Natta, secretary, testified on Prudential's procedure in election of directors. He admitted that no notice about elections is put on premium books or policies but said that the idea is being considered.

After the Labor Day recess hearings will resume next week, probably Tuesday.

Group Certificate Must Tell All

The West Virginia department has issued a ruling that no policy of group life, or combined group life, health and accident and family expense insurance may be issued and delivered or continued in force in the state on and after Nov. 1, whereby the continuance of the employment of the employee is precedent to the insurer's liability unless each certificate contains all of the provisions of the master policy relative to conversion privileges or other privileges provided for in the master policy whereby the insurance may be continued in force after the termination of employment.

Henry E. Tank, retired assistant manager of the Travelers' Chicago office and father of E. S. Tank, who is head of the group department there, is now at the Mayo Clinic, Rochester, Minn., undergoing observation prior to the performance of a serious abdominal operation. Mr. Tank, who retired about four years ago, was with Travelers for more than 30 years and 25 years ago established the group agency of the Chicago office. Previous to his connection with Travelers he was with New York Life. It has always been a great satisfaction to Mr. Tank to see his son following in his footsteps in the insurance business.

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Security Act's Insurance Features Don't Boost Cost

(CONTINUED FROM PAGE 1)

with the greatest practicable degree of equity. In social insurance, however, absolute equity must take a back seat and the question of needs become foremost. Under the present plan there is still quite a measure of equity. The man who pays in more gets more out, either for himself in his old age or for his dependents if he dies. On the other hand, payments of benefits is conditioned not solely on what the contributor and his employer put into the pot but upon the presumptive needs of himself, his wife, or, in case of his death, his widow and children, if any.

The term "presumptive needs" is an important one to bear in mind in appraising the new social security setup for it is what distinguishes the system from charity. Except in the case of dependent parents of unmarried decedents, there is, under the American social security system, nothing smacking of a means test. The widow of a high salaried corporation executive gets an income for herself and her children from Uncle Sam even though she also gets many times this amount in income from life insurance or trust funds.

Viewed as Budgeting

The theory on which the American system of social security is based is that since we are committed to a policy that "nobody starves" those who are in need are going to be taken care of one way or another and the best way of handling this is to presume that all who are in certain presumably dependent situations need assurance of steady income and should have it as a matter of right rather than as private or public charity. There are still fields in the social security setup, such as aid to the blind or to crippled children, for which no direct contribution is levied on those who will later participate in the benefits.

But as far as dependency in old age and the situation of widows with young children is concerned, it is felt that the best method is to pay the benefits regardless of actual needs, since in the vast majority of cases the income will be urgently needed.

One way of looking at social security is that it is a budgeting system, exacting its contributions in as painless a manner as possible in order that known needs may be taken care of when they inevitably arise.

Can't Store Up Goods

It has long been recognized by actuaries that while the legal reserve principle is sound and necessary for private insurance plans its application to a national social security system results in an absurdity such as the piling up of the \$47,000,000,000 reserve that was contemplated under the old act. There is no way that the working population of the present generation can store up the products of its labor and live on them after retirement. A \$47,000,000,000 reserve would not alter this fact. What necessarily happens is that the present generation takes care of its aged and infirm and dependents in the hope and expectation that the oncoming generation will do likewise for their old folks when it is their turn. This is the only realistic basis for a social insurance plan and the new setup is vastly closer to the ideal than the old one was.

It is for that reason that without any increase in contemplated eventual cost the new plan covers presumptive needs so much more effectively. For example, an aged couple certainly need more to live on than an aged single man. There is greater necessity for an assured income to a widow with young children than there is for an older widow to receive a large lump sum payment on the husband's death just because he had been contributing to social security for many years. It is more socially desirable that aged parents of single persons receive life incomes rather than lump sum payments on the death of a son or

daughter who had been supporting them. All of these are recognized and quite effectively dealt with in the new law.

What the eventual cost of social security will be is difficult to estimate closely. There are a number of factors involved, each one subject to considerable variation. For example, the number of persons in employment covered by social security may vary considerably. Farm workers are not covered. Possibly technical improvements in farming will cut down the necessary number of farm workers, throwing more people into covered employment. Then, there is no telling how many persons will be working for the government and government employees are not covered. Again, if older people live longer and are healthier than now they may not care to quit work at 65 but, if in congenial employment may prefer to keep on working until age 70 or later. Continued improvement in the general mortality will tend to keep the cost of monthly income payments to widow with children less than present estimates would indicate.

Estimates as to Cost

Based on the original assumptions used in framing the old social security law, estimates presented at hearings before the house ways and means committee showed that the plan subsequently adopted would cost 118 percent more in 1940 than the old plan and that by 1945 the increase would be 170 percent. However, by 1950 the increase would have fallen off to 117 percent over the old plan and by 1955 would be only 65 percent greater while by the time the leveling off point was reached the suggested plan would cost about 1 percent less than the existing plan.

Another estimate presented at the hearings, but based on taking the most pessimistic view of the various factors indicated that the 1940 increase in cost that would result from adoption of the proposed plan would be 150 percent, while in 1945 it would be 140 percent. By 1950 the increase would be down to 70 percent and by 1955 to 34 percent while the long range level cost would be about 13 percent less than the existing basis.

Percentages Under Two Plans

When benefits reach a point where they are a constant percentage of insured payrolls they would have amounted to 5.06 percent of such payrolls under the old plan and 5.03 percent under the new, using the basis originally employed for estimating benefits. The figures would be 7.88 percent and 6.87 percent, respectively, if the estimate were based on the least favorable view of the various factors involved. It should be noticed, however, that all of these figures would be raised somewhat by the absence of the presumed interest which would have been earned on the growing full-reserve accumulation contemplated under the old act. However, since the interest earned by the reserve fund would have come out of the government's—that is the people's—pocket, the effect of the interest earned, as a practical matter, makes no difference. The important thing is that the social security experts believe that with all its increased benefits the new plan imposes no prohibitively large load on the nation's economic structure.

OPTIMISTIC VIEW

Columbus Mutual Sees Emphasis on Monthly Income in Law as Beneficial to Agent

Columbus Mutual Life has made a study of the amendments to the federal social security law and comes to the conclusion that the changes should serve to quicken the sale of life insurance rather than to provide mutually exclusive competition. Columbus Mutual expresses the belief that the revisions will enable agents to place insurance-savings-income plans, possibly also retirement annuities. Columbus Mutual temporarily has withdrawn retirement annuities, pending re-

vision of income installment guarantees.

Columbus Mutual states that the government has undertaken to provide a substantial amount of life insurance protection—monthly income for survivors of persons affected by the law. These changes, according to Columbus Mutual, should help the agent in the approach and in the discussion of income.

Any person covered by the law is bound to be interested about income, whether he is to live long or die prematurely. The more the prospect can be induced to discuss income, especially monthly income, the more likely he is to become disposed to provide adequate protection for dependents and to provide adequately for himself in old age.

Columbus Mutual points out that the government death benefits are payable in monthly income. That should be brought home to the prospect. When the emphasis is upon income, the sales are likely to be much higher than where a lump sum is the feature that is kept in mind.

Although the death benefits are much higher than under the old act, they are still not adequate, according to Columbus Mutual. Pensions after 65 provided by the new as well as the old act are not adequate.

Generous as is the social security pension scheduled for a certain individual, it is high mainly when considered on the basis of taxes that one individual pays to qualify. It is not big, measured by needs and wants of himself and wife.

Speak Well of the Law

Columbus Mutual advises agents to speak well of the social security law, not to criticize it adversely. The more eager the prospect becomes to grasp what the social security law offers him, the more disposed he will be to appreciate the agent's service as a means of guaranteeing retirement income after 65, in addition to his social security pension.

Thoughtlessly, Columbus Mutual states, the agent may suggest the possibility of the government being likely to renege on its pension schedule or to reduce pension schedules, and in that connection he may say that while the government offers cannot be depended upon, the guarantees of insurance companies can be. That perhaps would be regarded as a criticism of the social security system. Instead of helping the agent, the suggestion might have the opposite result.

"We think the proper stunt is to describe the government pension offer as something very desirable to accept, then to point out how essential will be additional income, provided by a strong legal reserve life company," Columbus Mutual advises.

Celebrate Best Ordinary Record

CINCINNATI—Western & Southern field men will attend a meeting at the home office Sept. 1-2 which marks the completion of an outstanding 10 weeks' ordinary production effort during a period which is known generally as the summer slump. Four hundred qualified with a minimum \$10,000 paid for requirement. Not only did each man have a \$10,000 minimum production quota, but attendance was also conditioned upon \$3,000 paid for from every man in the district as well, the result being that there was ordinary production from every man in the district. The meeting is in the nature of a celebration of the best ordinary record of its kind the company has ever made. Entertainment includes a Cincinnati ball game and a trip on an Ohio river steamer.

Michigan Solid for Wright

Mortimer Buckley, Provident Mutual, Chicago, announces that the Michigan State Association of Life Underwriters and the 10 local associations of Michigan have endorsed Harry T. Wright, Equitable Society, Chicago, for election as vice-president of the National Association of Life Underwriters. Mr. Buckley is chairman of the Wright campaign committee. "Michigan solidly has endorsed a personal producer for vice-president," Mr. Buckley asserted.

HOST to the WORLD



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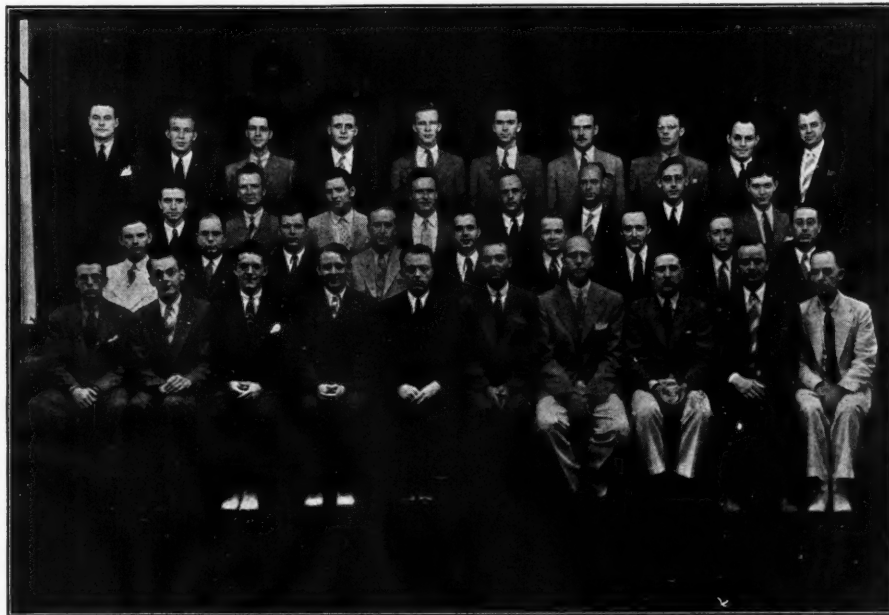
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The fall session of the Aetna Life Insurance School will begin on October 2, 1939 and continue for five weeks.



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LIFE VIEWS IN THE NEWS

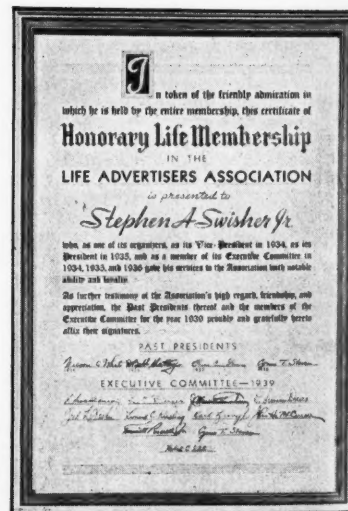


On Ohio National Life's Quarter Million Dollar Club outing in Canada: Standing: Ray Hodges, Logan Powell, E. B. Seidel, E. W. Milholland, Fred E. Kramer, M. A. Ellison, G. N. Wade, George S. Severance, E. C. Davis, Virgil Rouse, Grant Westgate, Jimmie White. Front row: D. J. Schiltz, B. C. Butler, Carl F. Brown, L. R. Hart, Charles H. Kahn, John H. Evans, N. E. Glassbrook, George C. Hill.



Members of publicity committee for the Annual Message of Life Insurance, week of Oct. 23, are shown hard at work despite New York's sultry weather. Left to right: Karl Ljung, Jefferson Standard; Arthur Theiss, Ohio National; John McCarroll, Bankers Life; Earl Trangmar, Metropolitan; Scott Fyle, Canada Life; D. Bobb Slattery, Penn Mutual; Seneca Gamble, Massachusetts Mutual, chairman of committee.

This parchment scroll was presented to S. A. Swisher, Jr., of Des Moines as evidence of his life membership in the Life Advertisers Association. Because of the condition of his health Mr. Swisher was compelled to retire as agency vice-president of Equitable Life of Iowa, several months ago. Mr. Swisher was one of the organizers of L. A. A. and served as its president in 1934.



Colonial treatment throughout has been utilized in the new offices of the Morton & Morton agency of the Connecticut Mutual Life in St. Louis. This style of architecture is particularly appropriate, since the Morton agency represents one of the oldest life companies in the country and is the oldest permanent life insurance agency west of the Mississippi, having been established in 1848. Left, reception room; center, entrance to offices; right, Mr. Morton's office.

